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8 *In Propria Persona*

F L Clerk of the Superior Court D

JUN 26 2019

By: A. SEAMONS, Deputy

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 FOR THE COUNTY OF SAN DIEGO

11 LARRY GERACI, an individual,

12 Plaintiff(s),

13 vs.

14 DARRYL COTTON, an individual; and DOES 1
15 through 10, inclusive,

16 Defendant(s).

Case No.: 37-2017-00010073-CU-BC-CTL

EX PARTE
INTERVENOR'S NOTICE OF MOTION
AND MOTION TO INTERVENE, WITH
MEMORANDUM OF POINTS AND
AUTHORITIES

DATE: June 27, 2019

TIME: 8:30 a.m.

DEPT: C-73

JUDGE: The Hon. Joel R. Wohlfeil

Complaint filed: March 21, 2017

Trial Date: June 28, 2019

21
22 **TO THE PARTIES AND THEIR COUNSEL OF RECORD:**

23 **PLEASE TAKE NOTICE** that on June 27, 2019 at 8:30 a.m. in department C-73 of the above-
24 entitled Court, located at the Hall of Justice, 330 W Broadway, San Diego, CA 92101, Andrew Flores
25 will and hereby does move this Court to permit him to intervene in the above-captioned action.
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1 This Motion is based upon the Court's file in this matter, the pleadings and records on file
2 herein, this Notice of Motion, and upon the Memorandum of Points and Authorities and Declaration
3 of Andrew Flores (hereinafter "Movant"), with attachments thereto, in support thereof, along with
4 such other and further oral and documentary evidence as may be present at the hearing thereon.

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6 DATED: June 26, 2019

Respectfully submitted,

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9 Andrew Flores
10 In Pro Per
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1 **MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION TO**
2 **INTERVENE**

3 **I. FACTUAL AND PROCEDURAL BACKGROUND**

4 The actions giving rise to this motion to intervene center around the real property located at
5 6176 Federal Blvd., San Diego, CA 92114 (the "Property"). Mr. Cotton alleges in this suit that on
6 November 2, 2016, Mr. Cotton and Mr. Geraci met and (a) entered into an oral joint venture
7 agreement to apply for the Permit and develop a Marijuana Outlet at the Property (the "JVA"); (b)
8 executed a three-sentence document drafted by Mr. Geraci to memorialize Mr. Cotton's receipt of
9 \$10,000 in cash towards a non-refundable deposit agreed to as part of the JVA (the "November
10 Document"); and (c) Mr. Geraci promised to have his attorney, Mrs. Gina Austin, reduce the JVA to
11 writing for execution.
12

13 Neither Mr. Geraci nor Mr. Cotton dispute that later that same day after the parties separated
14 (a) Mr. Geraci emailed Mr. Cotton a copy of the November Document; (b) Mr. Cotton responded and
15 requested that Mr. Geraci confirm the November Document is not a sales contract (the "Request for
16 Confirmation"); and (c) Mr. Geraci replied and provided the requested written confirmation (the
17 "Confirmation Email"). Mr. Geraci now alleges he sent the Confirmation by mistake.
18

19 On March 21, 2017, Mr. Cotton terminated his agreement with Mr. Geraci for breach and
20 entered into a written joint venture agreement with Mr. Martin (the "Martin Purchase Agreement").
21 On March 22, 2017, Mr. Geraci served Mr. Cotton with the instant lawsuit alleging the November
22 Document is a sales contract. Movant is confident the instant suit a sham lawsuit intended to justify
23 the recording of a lis pendens on the Property seeking to prevent the sale of the Property to Mr. Martin.
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1 Mr. Geraci and his counsel, Mr. Weinstein, have known that Mr. Martin purchased the
2 Property on March 21, 2017 before they served Mr. Cotton with the complaint for this suit on March
3 22, 2017 since mid-2017 when the Martin Purchase Agreement was disclosed via discovery.¹

4 Once Mr. Geraci filed this suit, Mr. Martin was intimidated by Mr. Geraci's history of
5 involvement with illegal commercial marijuana operations and made a demand that Mr. Cotton
6 prosecute this action without including him as a party to the litigation. In March of 2019, Movant
7 informed Mr. Martin that he was an "indispensable" party and that he had to become a party. Mr.
8 Martin decided to extricate himself from the sale and, on March 25, 2019, Movant bought the Property
9 from Mr. Martin. Flores Decl., Ex. 1. Subsequent to buying the Property, Movant discovered
10 evidence that the instant suit is part of a conspiracy to monopolize the Marijuana Outlet permits in
11 San Diego, which the City has limited to thirty-six. Movant is preparing a federal antitrust lawsuit,
12 that he intends to file within the week. The law and the facts are complicated and Movant has not
13 been dilatory in his preparation of bringing forth suit. And, for the reasons set forth below, his antitrust
14 suit is the basis of Movant's request that this Court stay this action over which the federal court has
15 exclusive jurisdiction.

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18 **II. MOVANT IS ENTITLED TO INTERVENE PURSUANT TO CALIFORNIA**
19 **CODE OF CIVIL PROCEDURE SECTION 387(b) BECAUSE THEY HAVE**
20 **SIGNIFICANT RELEVANT INTERESTS NOT ADEQUATELY**
21 **REPRESENTED BY THE EXISTING PARTIES, DISPOSITION OF THE**
22 **ACTION WITHOUT THEM WILL IMPEDE AND IMPAIR THEIR ABILITY**
23 **TO PROTECT THOSE INTERESTS, AND THIS APPLICATION TO**
24 **INTERVENE IS TIMELY.**

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26 A person is entitled to intervene as of right, "if the person seeking intervention claims an
27 interest relating to the property or transaction which is the subject of the action and that person is so
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26 ¹ On December 7, 2017, Mr. Weinstein filed an opposition to Mr. Cotton's TRO specifically
27 referencing the Martin Purchase Agreement. Docket No. 243, pg. 11:20-23 ("In other words, if Cotton
28 is granted his IRO and/or PI but Geraci prevails at trial, Geraci's victory may be a pyrrhic one as
Cotton would have a \$1.2 million reason to destroy the CUP approval process in order to free Cotton
to close the more lucrative deal he has made with another buyer, Richard Martin II, for the purchase
and sale of the Property.").

1 situated that the disposition of the action may as a practical matter impair or impede that person's
2 ability to protect that interest, unless that person's interest is adequately represented by existing
3 parties....” Code Civ. Proc. § 387 subd. (b). Intervention pursuant to section 387 subdivision (b) is
4 mandatory if the petition to intervene is timely made.

5
6 Movant has a direct interest in the subject property and subject of this action. Movant is the
7 equitable owner of the Property directly subject to this action. Mr. Geraci cannot claim prejudice as
8 he has known of Mr. Martin being the equitable owner and never sought leave of the court to amend
9 the complaint to name him.

10 Furthermore, Mr. Cotton was represented by counsel, Finch, Thornton, & Baird, LLP
11 (“FTB”), on August 25, 2017, when this Court entered a minute order that pursuant to a joint
12 stipulation of counsel, no new parties could be named and all unserved, non-appearing and factiously
13 named parties were dismissed. Mr. Cotton fired FTB for their professional negligence and/or alleged
14 fraud in their representation of his rights. FTB was aware of Mr. Martin, but did not name him as a
15 party. Neither Mr. Cotton nor Mr. Martin knew what an “indispensable” party was until Mr. Flores
16 informed them.
17

18 It is inexplicable why neither Mr. Geraci's counsel nor Mr. Cotton's counsel did not seek to
19 add Mr. Martin, Plaintiff's predecessor-in-interest. Whatever the reason, Movant, as the successor-
20 in-interest to Mr. Martin has a contractual right to the Property that was established BEFORE Mr.
21 Cotton was served with the instant suit. Thus, as an indispensable party, Movant is required to be a
22 party to any adjudication of the rights the Property.
23

24 As mentioned above, Movant only became the equitable owner on March 25, 2019 and has
25 been engaged in his own investigation regarding the issues and parties presented in this case separate
26 and apart from Mr. Cotton.
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1 **III. AN ANTITRUST CONSPIRACY TO MONOPOLIZE IS EXCLUSIVELY A**
2 **FEDERAL CAUSE OF ACTION**

3 “[A] plaintiff can bring an antitrust claim circumventing *Noerr–Pennington* immunity by
4 relying on the sham exception even if the allegedly sham legal actions remain pending [in state court].
5 This conclusion is logical given that a determination of whether anticompetitive legal actions fall
6 within the sham exception turns not on their ultimate outcomes but on the existence of a reasonable
7 basis (or a proper motive) for instituting and pursuing them in the first place.” Hanover 3201 Realty,
8 LLC v. Village Supermarkets, Inc., 806 F.3d 162, 191 n.4 (3d Cir. 2015) (citing Professional Real
9 Estate Investors, Inc. v. Columbia Pictures Industries, Inc., 508 U.S. 49, 61 n.5 (1993)).

10 Thus, respectfully, Movant notes that if the Court denies this ex-parte application, that will
11 not bar federal court jurisdiction over the federal suit he will file. Section 2 of the Sherman Act
12 prohibits any attempt to monopolize. 15 U.S.C. § 2. Section 4 of the Clayton Act, in turn, defines the
13 class of persons who may bring a private antitrust suit as “any person” who is injured “by reason of
14 anything” prohibited by the antitrust laws. *Id.* § 15(a). This extraordinarily broad language reflects
15 the Clayton Act's remedial purpose and Congress's intent to “create a private enforcement mechanism
16 that would deter violators and deprive them of the fruits of their illegal actions, and would provide
17 ample compensation to the victims of antitrust violations.” Blue Shield of Va. v. McCready, 457 U.S.
18 465, 472, 102 S.Ct. 2540, 73 L.Ed.2d 149 (1982). Emphasizing § 4's expansive reach, the Supreme
19 Court has explained that the “statute does not confine its protection to consumers, or to purchasers,
20 or to competitors, or to sellers.... The Act is comprehensive in its terms and coverage, protecting all
21 who are made victims of the forbidden practices by whomever they may be perpetrated.” *Id.* (quoting
22 Mandeville Island Farms, Inc. v. Am. Crystal Sugar Co., 334 U.S. 219, 236, 68 S.Ct. 996, 92 L.Ed.
23 1328 (1948)).

24 Moreover, the federal court will not be bound by this court's judgement and *res judicata* will
25 not apply for two reasons. First, in an antitrust matter, factual determinations by a state court do not
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1 apply. As the Ninth Circuit has stated: "It would seem to us to be unthinkable that a federal court
2 having exclusive jurisdiction of a treble damage antitrust suit would tie its own hands by a stay of this
3 kind in order to permit a judge of a state court, without a jury, to make a determination which would
4 rob the federal court of full power to determine all of the fact issues before it." Mach-Tronics, Inc. v.
5 Zirpoli, 316 F.2d 820, 833 (9th Cir. 1963).

6
7 Second, although the "*Rooker-Feldman* [doctrine] prohibits a federal district court from
8 exercising subject matter jurisdiction over a suit that is a de facto appeal from a state court judgment."
9 Kougasian v. TMSL, Inc., 359 F.3d 1136, 1139 (9th Cir. 2004). Even if it could be argued that
10 Movant was somehow in privity with Mr. Cotton as Mr. Martin's successor-in-interest, "*Rooker-*
11 *Feldman* does not apply where the plaintiff in the federal case was in privity with, but not a party to,
12 the underlying state court proceeding." St. Jon v. Tatro, Case No.: 15-cv-2552-GPC-JLB, at *17 n.2
13 (S.D. Cal. Mar. 23, 2016) (citing Lance v. Dennis, 546 U.S. 459, 466 (2006)).
14

15 CONCLUSION

16 For all the reasons set forth in this memorandum, Movant respectfully requests this Court
17 grant this motion and dismiss this action for failure to join an indispensable party and lack of subject
18 matter jurisdiction over federal anti-trust causes of action.
19

20 DATED: June 26, 2019

21 Respectfully submitted,

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24 _____
25 Andrew Flores
26 In Pro Per
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28

1 LAW OFFICES OF ANDREW FLORES
Andrew Flores (SBN 272958)
2 7880 Broadway
Lemon Grove, CA 91978
3 Telephone: (619) 356-1556
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5
6 *Plaintiff In Propria Persona*

7
8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **COUNTY OF SAN DIEGO**

10
11 LARRY GERACI, an individual,
12 Plaintiff,
13 vs.

14 DARRYL COTTON, an individual; and
15 DOES 1 through 10, inclusive,
16 Defendants.

Case No. 37-2017-00010073-CU-BC-CTL

**DECLARATION OF ANDREW FLORES IN
SUPPORT OF MOTION TO INTERVENE AN
DISMISS WITHOUT PREJUDICE**

Date: June 27, 2019
Time: 8:30 a.m.
Dept: C-73
Judge: The Hon. Joel R. Wohlfeil

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23 I, ANDREW FLORES, declare:

- 24 1. I am over the age of eighteen years, and the Defendant-Intervenor in this action.
25 2. The facts set forth herein are true and correct as of my own personal knowledge.
26 3. This declaration is submitted in support of my Motion to Intervene and Motion to
27 Dismiss.
28 4. I hereby incorporate by reference the facts stated in my Memorandum of Points and

1 Authorities in Support of Motion to Intervene and Motion to Dismiss.

2 5. On March 25, 2019 I purchased the contractual rights of one Richard Martin II relating
3 to an agreement between he and Darryl Cotton executed on March 21, 2017.

4 6. This agreement was entered into *after* Mr. Cotton had terminated his agreement with Mr.
5 Geraci who subsequently filed the instant action.

6 7. As the successor-in-interest to those contractual rights, I will be highly prejudiced if this
7 matter is litigated in my absence.

8 8. I since March 25, 2019 I have discovered evidence which form the bases of an anti-trust
9 lawsuit I am preparing to file *in pro per*.

10 9. However, I have been in discussions with a very reputable national law firm that
11 specializes in RICO and Anti-Trust lawsuits who are currently vetting a draft version of my complaint,
12 which apparently is vetted by multiple levels of partners in that firm.

13 10. The newly discovered evidence has not been provided to either Mr. Cotton, Mr. Geraci,
14 or their respective counsel because it the evidence may impact a current federal investigation into
15 corruption in the marijuana industry and a criminal proceeding in Federal Court involving a murder for
16 hire plot involving co-owners of another marijuana dispensary.

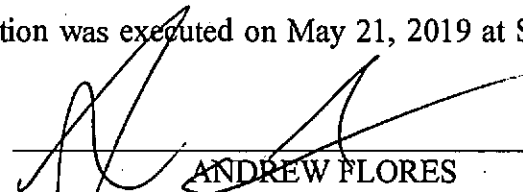
17 11. I have also contacted the Assistant United States Attorney who is currently prosecuting
18 the case.

19 12. There is a great deal of other relevant factual and legal issues to my anti-trust case
20 however because I believe that the anti-trust issues is dispositive of my request, and due to the limited
21 time restraints am not providing them in detail.

22 13. I have reviewed all of the motions and filings in this matter and represent that the factual
23 statements provided in my Motion to Intervene and Dismiss the Action Without Prejudice.

24 14. A redacted version, of the Martin Purchase Agreement is attached as **Exhibit 1**.

25 I declare under penalty of perjury according to the laws of the State of California that the
26 foregoing is true and correct, and that this declaration was executed on May 21, 2019 at San Diego,
27 California.

28 

ANDREW FLORES

EXHIBIT 1

AGREEMENT

This Agreement is entered into by and among Darryl Cotton ("Cotton"), Jacob Austin ("Austin"), Andrew Flores ("Flores"), Joe Hurtado ("Hurtado"), and Richard Martin ("Martin") on **March 25, 2019**.

RECITALS

WHEREAS, Austin, Cotton, Hurtado, Martin and another party entered into a Secured Litigation Financing Agreement on **December 26, 2017** (a redacted version is attached hereto as **Exhibit A**);

WHEREAS, the Secured Litigation Financing Agreement amended and incorporated various other agreements related to the real property located at 6176 Federal Blvd., San Diego CA 92114 (the "Property"), of which Cotton is the owner-of-record;

WHEREAS, the Secured Litigation Financing Agreement contemplated, *inter alia*, (i) a favorable and quick resolution of various legal disputes relating to the Property, (ii) provided for financing of the legal disputes regarding the Property; and (iii) the payment of interests in the Property and/or a conditional use permit for a Marijuana Outlet at the Property (the "CUP") subject to successful resolution of the legal disputes regarding the Property;

WHEREAS, the legal disputes regarding the Property are still ongoing, the procedural history of the legal disputes is unfavorable, and, thus, there is doubt as to what right, if at all, Cotton had to sell and/or transfer his interest in the Property to various parties as reflected in the Secured Litigation Financing Agreement;

WHEREAS, the Secured Litigation Financing Agreement was amended and other parties have helped finance Cotton's legal defense;

WHEREAS, the parties believe that in order to protect and vindicate Cotton's rights to the Property, and the agreements he made regarding the Property, a lawsuit against multiple parties alleging they are part of a criminal enterprise is necessary;

WHEREAS, Martin and other parties to the Secured Litigation Financing Agreement do not desire to be part of such a lawsuit;

WHEREAS, all of the parties to the Secured Litigation Financing Agreement have agreed to settle their financial obligations thereunder once all the legal disputes regarding the ownership of the Property have been finally settled;

WHEREAS, Hurtado has provided or paid on Cotton's behalf approximately \$254,500; and

WHEREAS, Hurtado is liable to Flores and Austin for legal services performed for Cotton.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth below, the parties hereby agree as follows:

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AGREEMENT

1. Martin hereby transfers and assigns to Flores any and all rights and interests in the Property, the CUP and any matters arising from or related thereto that he has, or may potentially have, and which may lawfully be transferred and/or assigned.
2. For the avoidance of doubt, given the doubt as to the legal validity of Cotton's ability to sell and/or transfer any interest in the Property, Cotton, Hurtado, and Austin hereby transfer and assign to Flores any ownership interest in the Property or the CUP that they may potentially have.
3. Flores hereby agrees to become a plaintiff, become counsel for Hurtado, and prosecute the contemplated legal action required to protect the validity of the interests acquired by this Agreement.
4. All of the parties represent they had or have attorney-client, principal-agent, fiduciary, and/or other confidential relationships by and among each other, the scope or existence of which for some have repeatedly changed throughout the course of the events leading up to this Agreement.
5. The parties, without waiving any attorney-client, work product, litigation, and/or any other applicable privilege or right arising from any of said relationships by and among them, hereby release each other from any future potential legal claims arising from any conflict of interest related to this Agreement. For the avoidance of doubt, this includes Cotton's release of any potential claims in connection with a contemplated claim by Hurtado against Cotton for fraud. The potential fraud claim is in the event there is a judicial determination that a document executed by Cotton and Geraci on November 2, 2016 was intended to be a sales agreement for the purchase of the Property by Geraci.
6. Cotton promises to execute a lien on the Property in favor of Hurtado for \$375,000 (the "Hurtado Lien").
7. Cotton promises to have the existing lien on the Property subordinated to the Hurtado Lien.
8. If the contemplated litigation is successful, but a CUP at the Property is not approved, Flores promises to pay \$500,000 for the Property.
9. If the contemplated litigation is successful, and a CUP is approved at the Property, Flores promises to pay \$5,000,000 for the Property.

ADDITIONAL PROVISIONS

10. Any invalid, illegal or unenforceable provision of this Agreement shall be severable, and after any such severance, all other provisions of this Agreement shall remain in full force and effect.
11. Insofar as there are any legal disputes between Martin and any other party arising from or related to this Agreement, the Agreement shall be governed by and construed in accordance

with the internal laws of the State of Hawaii without giving effect to the conflict of laws provisions thereof and the venue for any action filed by or against Martin shall be Honolulu, Hawaii. The prevailing party, in any legal dispute, shall have the right to collect from the other party its reasonable costs and attorneys' fees incurred in enforcing this Agreement.

12. The parties agree to negotiate in good faith regarding any issues that may arise by among some or all of the parties in regards to this Agreement. It is the intent of the parties, and they are relying on such, that they shall work in good faith and that any such issues be construed in light of, and effectuate the intent of, this Agreement.
13. This Agreement alone fully and completely expresses the agreement of the parties relating to the subject matter hereof. All previous courses of dealing, understandings, agreements, representations or warranties, written or oral, are replaced by this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first written above.

By: 

Andrew Flores

By: 

Jacob Austin

By: 

Joe Hurtado

By: 

Darryl Cotton

By: 

Richard Martin

Exhibit A

(Redacted Secured Litigation Financing Agreement)

SECURED LITIGATION FINANCING AGREEMENT

This amendment to the Secured Litigation Financing Agreement (the "Financing Agreement") is entered into by and among Jacob Austin ("Austin"), Darryl Cotton ("Cotton"), Joe Hurtado ("Hurtado"), and Richard Martin ("Martin") on December 26, ~~2016~~ 2017.

RECITALS

WHEREAS, on December 15, 2017, the parties hereto came to a tentative and general agreement that was agreed to and more fully detailed in the Financing Agreement executed by Austin, Cotton, Hurtado and Maas on December 20, 2017 (the "December 20th Agreement"; attached hereto Exhibit 1 and fully incorporated herein by reference);

WHEREAS, Mr. Martin did not execute the December 20th Agreement as contemplated because, upon review of the various legal agreements and complicated history stated therein, he requested additional time for legal review before executing;

WHEREAS, Mr. Martin has agreed to execute the December 20th Agreement, subject to the amendments stated below; and

WHEREAS, all of the parties who executed the December 20th Agreement, taking into account the current status of the case, the need to secure capital and full-time legal representation, and the immediate risk of losing the Property in a matter of days without the \$25,000 payment to the City of San Diego, have agreed to amend the December 20th Agreement as described below.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth below, the parties hereby agree as follows:

1. Notwithstanding any language in the December 20th Agreement, or any agreement incorporated therein, the provisions within this Financing Agreement shall be given effect and supersede any conflicting or ambiguous language.

2. Paragraph 9 in the December 20th Agreement is amended with the following language: If any term of this Financing Agreement is to any extent illegal, otherwise invalid, or incapable of being enforced, such term shall be excluded to the extent of such invalidity or unenforceability; all other terms hereof shall remain in full force and effect; and, to the extent permitted and possible, the invalid or unenforceable term shall be deemed replaced by a term that is valid and enforceable and that comes closest to expressing the intention of such invalid or unenforceable term. If application of this Severability provision should materially and adversely affect the economic substance of the transactions contemplated hereby, the Party adversely impacted shall be entitled to compensation for such adverse impact, provided the reason for the invalidity or unenforceability of a term is not due to serious misconduct by the Party seeking such compensation.

3. This Financing Agreement shall be kept strictly confidential and may not be disclosed without the prior written consent of all the parties hereto. Further, should any party disclose this Financing Agreement other than Mr. Martin, such party shall owe Mr. Martin \$200,000 for breach of this provision.

4. Mr. Hurtado, in consideration for Mr. Martin's promises herein, credits back all the consideration due to him from Mr. Martin pursuant to the MOU for facilitating the sale of the Property. (For the avoidance of doubt, for calculating the credits and liabilities between the parties herein, all other debts, obligations and rights remain the same between Mr. Martin and Mr. Hurtado and Mr. Hurtado's

sole source of compensation for facilitating the sale of the Property is that due to him pursuant to the Professional Services Agreement.)

5.

6.

7. Insofar as there are any legal disputes between Mr. Martin and any other party arising from or related to this Financing Agreement, the Financing Agreement shall be governed by and construed in accordance with the internal laws of the State of Hawaii without giving effect to the conflict of laws provisions thereof and the venue for any action filed by or against Mr. Martin shall be Honolulu, Hawaii. The prevailing party, in any legal dispute, shall have the right to collect from the other party its reasonable costs and attorneys' fees incurred in enforcing this Financing Agreement.


8.

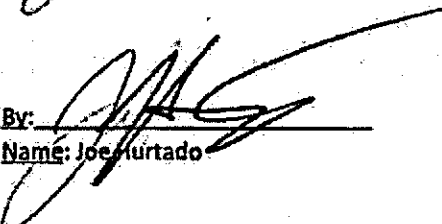
9. The parties agree to negotiate in good faith in regards to any other agreements or issues that may arise by among some or all of the parties hereto, in regards or related to the subject matter hereof, pending final resolution of the various matters, litigation or otherwise, described herein. It is the intent of the parties, and they are relying on such, that they shall work in good faith and that any such agreements or issues be construed in light of, and effectuate the intent of, this Financing Agreement.

[Remainder of this page left intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first written above.

By: 
Name: Mary Cotton

By: 
Name: Jacob Austin

By: 
Name: Joe Hurtado

By: 
Name: Tom Maas

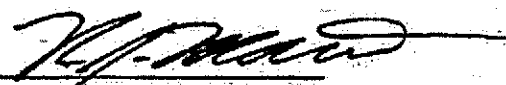
By: 
Name: Richard Martin

EXHIBIT 1

Secured Litigation Financing Agreement

SECURED LITIGATION FINANCING AGREEMENT

This Secured Litigation Financing Agreement (the "Financing Agreement") is entered into by and among Jacob Austin ("Austin"), Darryl Cotton ("Cotton"), Joe Hurtado ("Hurtado"), and Richard Martin ("Martin") on December 20, 2017.

RECITALS

WHEREAS, on November 2, 2016, Cotton alleges he (i) entered into an oral agreement with a Mr. Geraci for the purchase of his real property at 6176 Federal Blvd., San Diego, CA 92114 (the "Property"; the "Geraci Agreement") and (ii) executed a document reflecting his receipt of \$10,000 towards a non-refundable deposit as called for in the Geraci Agreement (the "November Receipt");

WHEREAS, Cotton alleges the Geraci Agreement required that Geraci have his attorney draft and speedily provide written legal agreements completely reflecting the terms that comprised the Geraci Agreement (the "Final Legal Agreements");

WHEREAS, Cotton discussed with Hurtado from February through early-March of 2017 his (i) belief that Geraci had failed to provide for over three months the promised Final Legal Agreements, (ii) belief that Geraci breached the Geraci Agreement, (iii) belief that Geraci would not cure the breach and, consequently, (iv) desire that Hurtado help in potentially facilitating the sale of the Property to a third-party because he was facing dire financial hardship as a result of relying on Geraci's representations in the Geraci Agreement;

WHEREAS, on or around March 3, 2017, Cotton showed Hurtado documentation that could be interpreted as Geraci not acting in good faith and Cotton and Hurtado came to a tentative agreement as to the terms upon which Cotton would sell the Property to a third-party if the Geraci Agreement was terminated (an email dated March 3, 2017 from Cotton to Geraci stating that a draft of a legal agreement, sent by Geraci to Cotton, failed to include a material provision providing for Cotton's 10% equity stake in the dispensary);

WHEREAS, Hurtado spoke with various parties to facilitate the potential sale of the Property and, on March 15, 2017, entered into a Memorandum of Understanding (the "MOU") with Martin describing the terms and conditions upon which Hurtado would facilitate the sale of the Property from Cotton to Martin if the Geraci Agreement was terminated (attached hereto as Exhibit A);

WHEREAS, on March 21, 2017, Cotton (i) terminated the Geraci Agreement for Breach (there is an email from Cotton to Geraci terminating the agreement) and, thereafter, (ii) entered into a Commercial Property Purchase Agreement with Martin for the sale of the Property (the "Real Estate Purchase Agreement"; attached hereto as Exhibit B);

WHEREAS, on March 22, 2017, Cotton received an email from Geraci's attorney, Mr. Weinstein, stating that Geraci has filed a lawsuit against Cotton alleging the November Receipt was the final legal agreement between the parties as to the sale of the Property from Cotton to Geraci (the "Geraci Lawsuit");

WHEREAS, Martin, subsequent to being informed of (i) the Geraci Lawsuit, that would necessitate allegations of criminal and fraudulent behavior between Cotton and Geraci, and (ii) being made aware that Geraci has a public record of being named a defendant in numerous lawsuits by the City of San Diego for the operating of illegal dispensaries, communicated his desire to cancel the Real Estate Purchase Agreement;

WHEREAS, Hurtado, after discussing with Martin his desire to cancel the Real Estate Purchase Agreement, began discussions with Cotton and Martin to amend the MOU and the Real Estate Purchase Agreement to reflect the terms upon which Cotton and Martin would continue and close the Real Estate Purchase Agreement;

WHEREAS,

WHEREAS, on April 14, 2017, Hurtado received a Pre-Approval Letter from Martin's lender as required per the MOU (attached hereto as Exhibit C);

WHEREAS, on April 15, 2017, Cotton and Martin executed Addendum No. 2 to the Real Estate Purchase Agreement that provides, *inter alia*, that the Real Estate Purchase Agreement and Martin's identity will be kept strictly confidential and will not be disclosed as part of the Geraci Lawsuit (the breach of which would result in a \$200,000 penalty);

WHEREAS, on May 3, 2017, Cotton and Hurtado entered into the Master Real Estate Purchase and Professional Services Agreement (the "Professional Services Agreement"; attached hereto as Exhibit D) providing that, *inter alia*, Hurtado will identify and finance local counsel to fully represent Cotton in the Geraci Lawsuit;

WHEREAS, subsequent to the execution of the Professional Services Agreement, it became apparent that the Real Estate Purchase Agreement would need to be disclosed in the Geraci Lawsuit and Cotton, aware that Martin would not disclose the Real Estate Purchase Agreement, requested that Hurtado negotiate with Martin for such disclosure;

WHEREAS, on or around May 10, 2017, Martin and Hurtado agreed to amend the MOU again, providing that in exchange for Hurtado providing an *additional* \$100,000 credit to Martin at the closing of the Real Estate Purchase Agreement (for a total of \$200,000), then Martin would amend the Real Estate Purchase Agreement to allow its disclosure in the Geraci Agreement;

WHEREAS, on May 12, 2017, (i) Cotton and Martin executed Addendum No. 3 to the Real Estate Purchase Agreement, providing that Cotton may disclose the Real Estate Purchase Agreement in the Geraci Lawsuit, and (ii) Cotton and Hurtado executed Amendment No. 2 to the Professional Services Agreement, providing that Cotton would pay Hurtado \$100,000 for acquiring the consent of Martin for the disclosure of the Real Estate Purchase Agreement (subject to the CUP being issued);

WHEREAS, on June 13, 2017, (i) Cotton entered into a Services Agreement for Representation with FTB so that they would fully represent Cotton in various legal actions related to the Property (the "Legal Actions") and would allow Cotton to pay his legal fees with a maximum payment of \$10,000 a month (previously negotiated with FTB by Hurtado) and any balance would be carried forward (Exhibit E) and (ii) Cotton and Hurtado executed Amendment No. 3 to the Professional Services Agreement in which, *inter alia*, Hurtado promises to pay \$10,000 a month to Cotton for Cotton, in turn, to pay FTB;

WHEREAS,

WHEREAS, the Court denied Cotton's request for an expedited trial schedule on December 7, 2017 in his action against the City of San Diego;

WHEREAS, the Court denied Cotton's request for a Temporary Restraining Order on December 7, 2017 in the Geraci Lawsuit, specifically making a factual finding that (i) Cotton is more-likely-than-not going to lose on his cause of action for breach of contract and (ii) that there is no risk of irreparable harm to Cotton (the "TRO Motion");

WHEREAS, Cotton decided to terminate his agreement with FTB for their failure to prevail on the TRO Motion (Exhibit F; email from Cotton terminating FTB representation);

WHEREAS, the Court denied Cotton's *pro se* request that the Court reconsider its denial of the TRO Motion on December 12, 2017 at a hearing at which Cotton was representing himself *pro se* and, after the hearing, Cotton was admitted to Scripps Mercy Hospital for chest pains and was diagnosed as having suffered a Transient Ischemic Attack ("TIA");

WHEREAS, on December 15, 2017, the parties herein reached a tentative oral agreement as to the terms described herein;

WHEREAS, Cotton and Hurtado have exhausted their professional and personal financial resources in financing the litigation and keeping Cotton's operations ongoing;

WHEREAS, Cotton owes a \$25,000 judgment to the City of San Diego on or before January 2, 2018, pursuant to a Stipulation for an Entry of Forfeiture Judgment arising from an agreement facilitated by his former FTB counsel;

WHEREAS, if Cotton does not pay the \$25,000 judgment, he voids his agreement with the City of San Diego and shall forfeit the Property, which is the underlying collateral and security for a material portion of the agreements referenced herein; and

WHEREAS, Martin has agreed to loan the \$25,000 necessary to prevent the loss of the Property and incur certain other financial obligations on behalf of Hurtado (the "Martin Funding Agreement"), subject to the creation of a legal, binding agreement that specifically describes the relationships and legal agreements of all the parties that have a lien against the Property and which subordinates all those agreements to his lien on the Property (this Financing Agreement).

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth below, the parties hereby agree as follows:

AGREEMENT

ADDITIONAL PROVISIONS

6. All amounts due and/or that will come to be due pursuant to this Financing Agreement (and the agreements incorporated herein), shall be subject and subordinate to all amounts and/or rights of Mr. Martin as stated in this Financing Agreement. The parties promise to take any and all actions, including execution of additional legal documents, required to subordinate their rights and/or amounts due them under this Financing Agreement, or in any way related to the Property, to secure and prioritize Mr. Martin's lien on the Property.
7. The Recitals set forth above, including the Exhibits referenced therein, are, by this reference, fully incorporated into and deemed a part of this Financing Agreement.
8. Unless revised by terms specifically stated herein, all other terms of the respective agreements by the parties hereto, shall not be modified and/or amended in any manner by this Financing Agreement.
9. Any invalid, illegal or unenforceable provision of this Financing Agreement shall be severable, and after any such severance, all other provisions of this Agreement shall remain in full force and effect.
10. Notwithstanding any other provision or language herein, _____ and Mr. Martin shall have until December 26, 2017, to VOID their consent and agreement to this Financing Agreement. (For the avoidance of doubt, such time is being given for each of _____ and Mr. Martin to review and consult with independent legal counsel.)
11. The parties agree that learning of the terms of the various agreements by and among the other parties hereto, as a result of the disclosure of these agreements pursuant to this Financing Agreement, shall not be the basis of any renegotiations for any agreement previously reached. Each party hereby individually agrees and acknowledges that, insofar as it is a party to any previous agreement reached, oral or otherwise, any such agreement was negotiated at arms-length and the

Secured Litigation Financing Agreement

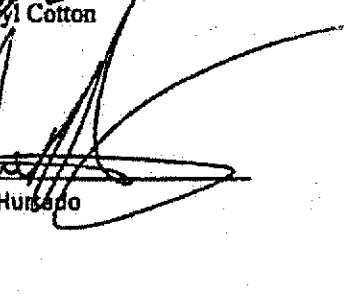
unusual circumstances giving rise to these circumstances and this Financing Agreement is not the result of any party to this Financing Agreement.

12. This Agreement may not be amended or modified, except by a written agreement signed by all parties hereto.
13. This Financing Agreement alone fully and completely expresses the agreement of the parties relating to the Property, the pending CUP application and all matters referenced herein. There are no other courses of dealing, understanding, agreements, representations or warranties, written or oral.

[Remainder of this page left intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first written above.

By: 
Name: Barry Cotton

By: 
Name: Joe Hursado

By: _____
Name: Richard Martin

By: 
Name: Jacob Austin

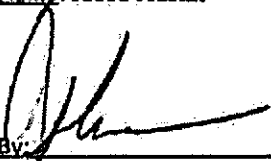
By: 
Name: Tom Maas

EXHIBIT A

MARCH 15, 2017

This Memorandum of Understanding (MOU) is entered into by Richard Martin (Principal) and Joe Hurtado (Agent).

This MOU is entered into by the parties to memorialize their understanding of a contemplated project, specifically, the purchase of 6176 Federal Blvd., San Diego, CA 92114 (Subject Property) as an investment opportunity for Principal. This MOU confirms, subject to the below, the terms and conditions upon which Agent shall facilitate the sale of the Subject Property to Principal.

Principal and Agent hereby agree that:

1. Subject Property. Agent has represented to Principal that he believes the Subject Property will become available for purchase and that he has a sense of the terms upon which the owner will sell the Subject Property, at which, it is believed, a permit from the City of San Diego can issue that will allow the establishment of a dispensary.
2. Subject Property Sale Terms. Agent shall negotiate terms with the owner of the Subject Property and Principal hereby agrees to pay the following consideration for the Subject Property: \$2,500,000; a 49% ownership stake in the contemplated dispensary; and, on a monthly basis, once the contemplated dispensary is permitted and open to the public (Opening), the greater of (i) 49% of the contemplated dispensary's net profits or (ii) \$20,000; provided that, Principal shall have, at his sole discretion, (i) a right-of-first-refusal and (ii) the right to buy-back the 49% ownership stake at any time after 2 years from the date of the Opening for a sum of - after taking into account all transaction costs, taxes and fees to the owner(s) of the 49% (for which Principal shall be liable for) - \$2,500,000 plus 5x the net profits of the average of the preceding 6 months.
3. Agent's Consideration. To the extent that Agent is able to negotiate the consideration for the Subject Property to be below \$2,500,000, a 49% ownership stake in the contemplated dispensary and/or the monthly \$20,000 minimum guaranteed payment, any such delta shall be Agent's consideration for facilitating the sale of the Subject Property (Delta). Principal promises to keep any such Delta strictly confidential and shall not disclose the Delta

to the owner of the Subject Property or any third-parties under any circumstances, unless first agreed to in writing by Agent.

4. Loan Approval. Principal shall provide within 30 days from the date hereof proof of funds and/or loan approval documentation reflecting his ability to tender the purchase price consideration of \$2,500,000 for the Subject Property. If Principal fails to provide said documentation, this MOU shall be terminated and Agent may immediately facilitate the sale of the Subject Property to a third-party.
5. Impossibility of Operating a Dispensary. It is the intent of the parties that the Subject Property be used as a dispensary. If, for whatever reason (including by operation of law, federal anti-cannabis enforcement efforts or otherwise), the Subject Property is not able to be operated as a dispensary, then all payments called for herein shall be deemed null and void. Principal shall have no further liability pursuant to this MOU or any agreements promulgated hereunder and may sell the Subject Property. This provision shall materially be copied into the governing and operating documents for the contemplated dispensary and shall be given the intent and effect that is reflected herein.
6. Severability. If any term of this MOU is to any extent invalid, illegal, or incapable of being enforced, such term shall be excluded to the extent of such invalidity, illegality, or unenforceability; all other terms hereof shall remain in full force and effect. Further, in such an event, the parties agree to have this MOU construed, to the greatest extent permissible, in such a manner that this MOU will be interpreted to reflect the original intent of the parties expressed herein as if no portion of this MOU had been held to be invalid, illegal or unenforceable.
7. Assuming the Subject Property is acquired, more detailed and comprehensive legal agreements shall be required. The parties agree to negotiate in good faith in regards to any and all such agreements, including those that that will be required to effectuate the intent of this MOU, the sale of the Subject Property and the operations of the contemplated dispensary. All such legal documents shall include and be done (i) in a standard format with reasonable and common provisions and (ii) at market rates.

IN WITNESS WHEREOF, the parties hereto have caused this MOU to be effective as of the day, month and year first written above.

By: 
Name: Richard Martin

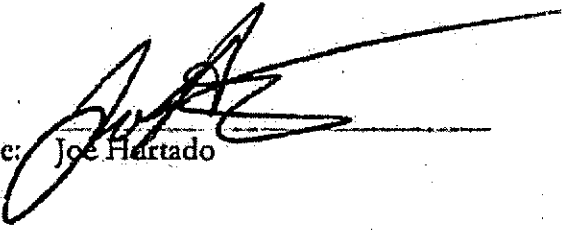
By: 
Name: Joe Hartado

EXHIBIT B



**COMMERCIAL PROPERTY PURCHASE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**
(NON-RESIDENTIAL)
(C.A.R. Form CPA, Revised 12/15)

Date Prepared: 03/21/2017

1. OFFER:
 - A. THIS IS AN OFFER FROM Richard John Martin II ("Buyer").
 Individual(s), A Corporation, A Partnership, An LLC, An LLP, or Other
 - B. THE REAL PROPERTY to be acquired is 6776 Federal Blvd, situated in San Diego (City), San Diego (County), California, 92116-1431 (72) (Cadastral Assessor's Parcel No. 343-22632-8 (Property))
 - C. THE PURCHASE PRICE offered is Two Million Dollars \$ 2,000,000.00
 - D. CLOSE OF ESCROW shall occur on see Addendum 1 (date) (or _____ Days After Acceptance).
 - E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.
2. AGENCY:
 - A. DISCLOSURE: The Parties each acknowledge receipt of a "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD)
 - B. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:
Listing Agent N/A (Print Firm Name) is the agent of (check one):
 the Seller exclusively, or both the Buyer and Seller.
Selling Agent N/A (Print Firm Name) (if not the same as the Listing Agent) is the agent of (check one): the Buyer exclusively, or the Seller exclusively, or both the Buyer and Seller.
 - C. POTENTIALLY COMPETING BUYERS AND SELLERS: The Parties each acknowledge receipt of a "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS)
3. FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder.
 - A. INITIAL DEPOSIT: Deposit shall be in the amount of _____ \$
(1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, cashier's check, personal check, other _____ within 3 business days after Acceptance (or _____);
OR (2) Buyer Deposit with Agent: Buyer has given the deposit by personal check (or _____) to the agent submitting the offer (or to _____), made payable to _____ The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or _____) Deposit checks given to agent shall be an original signed check and not a copy (Note: Initial and increased deposit checks received by agent shall be recorded in Broker's trust fund log.)
 - B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of _____ \$ within _____ Days After Acceptance (or _____). If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow holder.
 - C. ALL CASH OFFER: No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or Buyer shall, within 3 (or _____) Days After Acceptance, Deliver to Seller such verification.
 - D. LOAN(S):
 - (1) FIRST LOAN: in the amount of _____ \$ 1,800,000.00
This loan will be conventional financing or Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), subject to financing, Other _____. This loan shall be at a fixed rate not to exceed _____ % or an adjustable rate loan with initial rate not to exceed _____ %. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.
 - (2) SECOND LOAN in the amount of _____ \$
This loan will be conventional financing or Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), subject to financing, Other _____. This loan shall be at a fixed rate not to exceed _____ % or an adjustable rate loan with initial rate not to exceed _____ %. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.
 - E. ADDITIONAL FINANCING TERMS: see attached Addendum 1
 - F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of _____ \$ 200,000.00 to be deposited with Escrow Holder pursuant to Escrow Holder instructions.
 - G. PURCHASE PRICE (TOTAL): _____ \$ 2,000,000.00
 - H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to paragraph 3.A(1)) shall, within 3 (or _____) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (Verification attached.)

Buyer's Initials (X) RM () _____
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CPA REVISED 12/15 (PAGE 1 OF 11)

Seller's Initials (X) _____ () _____





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ADDENDUM

(C.A.R. Form ADM, Revised 12/15)

No. 1

The following terms and conditions are hereby incorporated in and made a part of the Purchase Agreement, Residential Lease or Month-to-Month Rental Agreement, Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), Other _____

dated March 21, 2017 on property known as San Diego, CA 92114-1401 6176 Federal Blvd

in which Richard John Martin II is referred to as ("Buyer/Tenant")
and Darryl Cotton is referred to as ("Seller/Landlord")

Memorandum of Understanding

This Memorandum of Understanding ("MDU") is fully incorporated into this purchase agreement.

Seller shall receive a 20% equity stake in the business / MMCC upon approval and completion.

Seller shall receive on a monthly basis, 20% of the profits of the business / MMCC or \$10,000, whichever is greater.

The \$100,000 earnest money deposit is non-refundable and shall be Seller's to keep even if the GUP application is denied.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date March 21, 2017

Date March 21, 2017

Buyer/Tenant X [Signature]
Richard John Martin II

Seller/Landlord X [Signature]
Darryl Cotton

Buyer/Tenant _____

Seller/Landlord _____

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Reviewed by _____ Date _____



ADM REVISED 12/15 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)



CALIFORNIA
ASSOCIATION
OF REALTORS®

ADDENDUM

(C.A.R. Form ADM, Revised 12/15)

No. 2

The following terms and conditions are hereby incorporated in and made a part of the: Purchase Agreement, Residential Lease or Month-to-Month Rental Agreement, Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), Other

dated March 21, 2017, on property known as 6176 Federal Blvd
San Diego, CA 92114-1401
in which Richard John Martin II is referred to as "Buyer/Tenant"
and Darryl Cotton is referred to as "Seller/Landlord".

Memorandum of Understanding and Agreement

- 1) This Memorandum of Understanding and Agreement ("MOUA") amends the agreement reached by Buyer and Seller on March 21, 2017.
- 2) Notwithstanding any language in this purchase agreement to the contrary, the provisions within this MOUA shall be given effect and supersede any conflicting or ambiguous language within this purchase agreement.
- 3) Seller hereby transfers and sells to Buyer, with all the associated rights and liabilities, his ownership, rights and interests in the property and the associated CUP application pending before the City of San Diego for \$500,000.
- 4) Buyer shall immediately provide seller with a \$50,000 non-refundable deposit.
- 5) The closing of this sale, including the payment of the balance of the purchase price and all the requirements stated herein, shall be completed upon the favorable resolution of the Larry Geraci lawsuit against Seller for the property.
- 6) In addition, should a CUP application be approved at the property, Buyer shall pay Seller a one-time payment of \$1,500,000. Seller's previous agreement for an equity stake in the business is voided and Seller has no interest in the property or the CUP.
- 7) **CONFIDENTIALITY CLAUSE: SELLER WILL NOT DISCLOSE BUYER'S IDENTITY OR THIS AGREEMENT IN ANY FORM, DIRECTLY OR INDIRECTLY, UNTIL HE HAS RESOLVED THE LEGAL ACTION WITH GERACI. FOR THE AVOIDANCE OF DOUBT, THIS MEANS THAT SELLER WILL NOT INVOLVE OR MENTION BUYER IN ANY FORM TO ANY THIRD PARTIES, IN ANY LITIGATION PROCEEDINGS OR IN ANY MATTERS REGARDING ALLEGATIONS OF CRIMINAL OR UNLAWFUL ACTIONS. SHOULD SELLER BREACH THIS PROVISION, SELLER HEREBY EXPRESSLY AGREES TO PAY TO BUYER \$700,000 FOR BREACH OF THIS PROVISION.**

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date April 13, 2017

Date April 15, 2017

Buyer/Tenant X Richard John Martin II

Seller/Landlord X Darryl Cotton

Buyer/Tenant _____

Seller/Landlord _____

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ADM REVISED 12/15 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)



CALIFORNIA
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OF REALTORS

ADDENDUM

(C.A.R. Form ADM, Revised 12/15)

No. 3

The following terms and conditions are hereby incorporated in and made a part of the Purchase Agreement, Residential Lease or Month-to-Month Rental Agreement, Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), Other

dated March 21, 2017, on property known as 6176 Federal Blvd

San Diego, CA 92114-1401

in which Richard John Martin II is referred to as "Buyer/Tenant"
and Darryl Cotton is referred to as "Seller/Landlord".

This addendum is fully incorporated into this purchase agreement and amends the agreement reached between the parties on March 21, 2017, as amended by addendum 2 on April 15th, 2017.

Buyer hereby agrees to permit Seller to disclose this agreement in his response to Geraci's lawsuit.

For the avoidance of doubt, Seller will not have to pay the \$200,000 fine for breach of the Confidentiality provision previously agreed to.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date May 12, 2017

Date May 12, 2017

Buyer/Tenant X

Richard John Martin II

Seller/Landlord X

Darryl Cotton

Buyer/Tenant

Seller/Landlord

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Revised by _____ Date _____



ADM REVISED 12/15 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)

EXHIBIT C



Pre-Approval Letter

Friday, April 14, 2017

TO: Whom it may concern
RE: Richard John (R.J.) Martin II

We are pleased to inform you that the above referenced loan application has been *pre-approved* with the following terms and conditions:

Purchase Price: \$2,500,000
Loan Program: Jumbo 30 YEAR FLX
Loan amount: \$2,000,000

The following conditions must be satisfied for final loan approval:

- 1) *Appraiser's certification of value along with a final inspection.*
- 2) *Acceptable Preliminary Title.*
- 3) *Following standard investor requirements: Evidence of Hazard Insurance, Flood Certification*
- 4) *Copy of Fully Executed Purchase Contract and Escrow Instructions*

This approval is based on review of the borrower's credit report in conjunction with documentation provided by the borrower regarding employment, income, assets as applicable to the above loan. These items are sufficient to obtain final loan approval provided there are no changes in the borrower's financial situation as required by the loan program.

Please keep in mind the following:

- Upgrades and modifications that increase the purchase price beyond what is indicated above may invalidate this approval and result in disqualification or re-qualification on an alternative loan program offering.
- This approval does not include any contingencies unless specifically noted above. If the loan approval is contingent on sale of another property but that sale does not occur prior to closing on this property, re-qualification on an alternative loan program may be required to complete the purchase.
- At times market conditions require that loan program guidelines and parameters change, which may affect this approval unless your loan has been locked and will close within that lock period. If this occurs, we will review the borrower's file and notify you of any changes that apply.

Sincerely,

Alexis Roper

Alexis Roper
Sr. Mortgage Loan Officer
619-436-8873
aroper@amerifirst.us
NMLS #583371



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0034

EXHIBIT D

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California)

County of San Diego)

On May 03 2017 before me, Rebeca Gonzalez Notary Public

Date

Here Insert Name and Title of the Officer

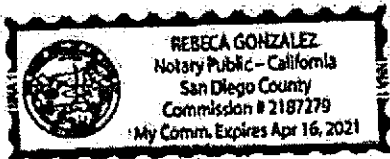
personally appeared Joe Hurtado & Darryl Cotton

Name(s) of Signer(s)

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: Master Real Estate and Professional Services Agreement Document Date: 5/3/17

Number of Pages: 5 Signer(s) Other Than Named Above: no

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

MASTER REAL ESTATE PURCHASE AND PROFESSIONAL SERVICES AGREEMENT

This Master Real Estate Purchase and Professional Services Agreement (the "Agreement") is made and entered into as of May 3, 2017 by and between Darryl Cotton ("Principal") and Joe Hurtado ("Agent").

RECITALS

WHEREAS, Principal is the owner of Dalbercia Inc. and Fleet Systems (respectively, engaged in commercial electrical work and lighting manufacturing) and the founder and manager of 151 Farms (a nonprofit organization that promotes sustainable, ecological-friendly urban farms);

**[REMAINDER OF
SECURED LITIGATION
FINANCING AGREEMENT
REDACTED]**