

**IN THE SUPREME COURT OF THE  
STATE OF NEVADA**

NUVEDA, LLC,

Petitioner,

vs

EIGHTH JUDICIAL DISTRICT  
COURT OF THE STATE OF  
NEVADA, IN AND FOR THE  
COUNTY OF CLARK, THE  
HONORABLE ELIZABETH  
GONZALEZ, DISTRICT JUDGE,

Respondent,

SHANE TERRY,

Real Party in Interest.

Electronically Filed  
Jun 09 2021 02:00 p.m.  
Elizabeth A. Brown  
Clerk of Supreme Court

Supreme Court Case No. 82767

Case: A-20-817363-B

Lead Case: A-17-755479-B

Other Consolidated Cases with Lead  
Case:

A-19-791405-C and A-19-796300-B

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**APPENDIX FOR PETITION FOR WRIT OF PROHIBITION OR, IN THE  
ALTERNATIVE, PETITION FOR WRIT OF MANDAMUS (Volume X)**

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DATED this 9th day of June, 2021.

LAW OFFICE OF MITCHELL STIPP

A handwritten signature in black ink, appearing to read "Mitchell Stipp", is positioned above a horizontal line.

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**DISTRICT COURT**

**CLARK COUNTY, NEVADA**

SHANE M. TERRY, a Nevada resident;

Claimant,

vs.

NUVEDA, LLC, a Nevada limited liability  
company PEJMAN Bady; POUYA  
MOHAJER; DOE Individuals I-X and ROE  
Entities I-X, inclusive;

Respondents.

District Court Case No.: A-15-728510-B  
Supreme Court No.: 69648

AAA Case No.: 01-15-0005-8574

**AMENDED DEMAND FOR ARBITRATION**

**Brief Description of Dispute:**

Claimant Shane Terry ("Claimant") hereby **amends** his demand for arbitration. This amendment has no effect on further claimant Jennifer Mulligan Goldstein. This amendment is necessary to address the termination of Mr. Terry from management as well as membership of NuVeda subsequent to the original arbitration demand.

Claimant hereby demands arbitration pursuant to the agreement to arbitrate set forth in Section 11.3 of the Operating Agreement of NuVeda, LLC ("NuVeda"). A true and correct copy of the Operating Agreement is attached hereto as Exhibit 1.

Respondents are NuVeda, Pejman Bady ("Bady") and Pouya Mohajer ("Mohajer," together with NuVeda and Bady, the "Respondents"). NuVeda is, and has been at all relevant

1 times, a Nevada limited liability company with valuable medical marijuana establishment  
2 licenses in the State of Nevada that permit the cultivating, processing and dispensing of medical  
3 marijuana.

4 Bady and Mohajer were members of NuVeda along with Claimant until Claimant's  
5 interests in NuVeda were wrongfully terminated. Respondents are an immoral majority who  
6 engaged in self-dealing at NuVeda, and then negotiated and entered into a conditional sale of  
7 NuVeda's assets to third party CW Nevada, LLC, without any notice to Claimant, who was then  
8 the designated representative of NuVeda with the State of Nevada, Nye County, North Las  
9 Vegas and Las Vegas, as well as CEO and Manager with voting rights at NuVeda.

10 Claimant's position and interest in NuVeda was wrongfully terminated in March 2016, despite  
11 that Claimant has ONLY acted in the Company's best interests. NuVeda benefits from such  
12 termination, and Claimant is entitled to the fair market value of his interest as of the date of such  
13 wrongful termination.

14 Upon the wrongful termination of Claimant, as well as prior to Claimant's wrongful  
15 termination from NuVeda, Bady and Mohajer breached the Operating Agreement for NuVeda.  
16 Bady and Mohajer breached the express terms of the Operating Agreement as well as the implied  
17 covenant of good faith and fair dealing arising from the Operating Agreement.

18 As managers of NuVeda at all relevant times, Bady and Mohajer owed Claimant a  
19 fiduciary duty. The fiduciary duty of the managers of NuVeda continues subsequent to  
20 Claimant's wrongful termination as Claimant retains at least an economic interest in NuVeda and  
21 its assets.

22 Prior to termination, Claimant had worked to obtain investment in NuVeda by a third  
23 party, and the proposed investment included superior terms than the transaction entered into by  
24 NuVeda under Bady and Mohajer's leadership. Upon information and belief, the CW Nevada,  
25 LLC transaction benefitted Bady and/or Mohajer personally and that personal benefit was why  
26 Mohajer and Bady surreptitiously dealt with CW Nevada, LLC, as opposed to any determination  
27 that the CW Nevada, LLC transaction benefitted NuVeda and the other members more than any  
28 other proposal. Respondents are liable to Claimant for the lost value in his membership interest

1 as a result of Respondents' gross misfeasance in conjunction with entering the CW Nevada, LLC  
2 conditional sale of NuVeda's assets.

3 Mohajer and Bady intentionally and/or negligently misrepresented the true facts  
4 regarding their activities affecting NuVeda, including without limitation failing to disclose to  
5 Claimant that Bady was transferring losses to Mohajer in violation of the Operating Agreement,  
6 failing to disclose to Claimant that Bady had an ownership interest in entities benefitting from  
7 transactions with NuVeda to its detriment, and, by extension, to the detriment of Claimant,  
8 NuVeda's then-member, as well as Respondents' omission of material facts from  
9 communications with Claimant regarding efforts to sell off of NuVeda's most valuable assets at  
10 a lower value than at least one other option because the sale benefitted Mohajer and/or Bady.  
11 Claimant is entitled to the diminution of value in Claimant's interest in NuVeda as a result of  
12 Respondents' fraudulent actions.

13 Discovery may reveal additional claims are appropriate. An accounting and discovery  
14 will therefore be necessary to fully resolve the parties' disputes.

15 Attorneys' fees and costs are compensable under the Operating Agreement.

16  
17 Dated this 3<sup>rd</sup> day of June, 2016.

18 GARMAN TURNER GORDON LLP

19 /s/ Erika Pike Turner

20 ERIKA PIKE TURNER

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Attorneys for Plaintiff Shane Terry

# Exhibit 1



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# NuVeda, LLC

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## Operating Agreement

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July 9, 2014

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## **Operating Agreement For NuVeda, LLC**

### **A Nevada Limited Liability Company**

This Operating Agreement (the "Agreement") is made effective as of July 9, 2014 (the "Effective Date"), by and among and those persons identified in Exhibit A (collectively, the "Members").

In consideration of the mutual covenants and conditions herein, the Members agree as follows:

## **ARTICLE I**

### **ORGANIZATION**

**1.1 Formation and Qualification.** The Members have formed NuVeda, LLC ("NUVEDA"), a limited liability company (the "Company") under the Nevada Limited Liability Company Act (currently Chapter 86 of the Nevada Restated Statutes) (the "Act") by filing Articles of Organization with the Nevada Secretary of State.

**1.2 Governing Law.** This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Nevada, including the Nevada Limited Liability Company Act, (the "Act") as amended from time to time, without regard to Nevada's conflicts of laws principles. The rights and liabilities of the Members shall be determined pursuant to the Act and this Agreement. To the extent that any provision of this Agreement is inconsistent with any provision of the Act, this Agreement shall govern to the extent permitted by the Act.

**1.3 Name.** The name of the Company shall be "NUVEDA, LLC." The business of the Company may be conducted under that name or, on compliance with applicable laws, any other name that the Voting Members deem appropriate or advisable. The Voting Members on behalf of the Company shall file any certificates, articles, fictitious business name statements and the like, and any amendments and supplements thereto, as the voting Members consider appropriate or advisable.

**1.4 Term.** The term of the Company commenced on the filing of the Articles of Organization and shall be perpetual unless dissolved as provided in this Agreement.

**1.5 Office and Agent.** The principal office of the Company shall be at such place or places of business within or without the State of Nevada as the Voting Members may determine. The Company shall continuously maintain a registered agent in the State of Nevada as required by the Act. The registered agent shall be as stated in the Certificate or as otherwise determined by the Voting Members.

**1.6 Purpose of Company.** The purpose of the Company is to engage in all lawful activities, including, but not limited to the following activities:

The research, design, creation, management, licensing, advising and consulting regarding the legal medical marijuana industry, as such matters shall be lawfully allowed under applicable state laws. Such purpose shall be broadly read to include providing management or other professional services to any individual, group or entity that is lawfully licensed, or seeking to become lawfully licensed, under any state statutory scheme providing for the legal cultivation, processing or dispensing of medical marijuana.

## ARTICLE II

### MEMBERSHIP INTERESTS, VOTING AND MANAGEMENT

**Section 2.1 Initial Members.** The initial Members of the Company are the Members who are identified in Exhibit A.

**Section 2.2 Classification of Membership Interests.** The Company shall issue Class A Voting Capital ("Voting Capital"), to the Voting Members (the "Voting Members"). The Voting Members shall have the right to vote upon all matters upon which Members have the right to vote under the Act or under this Agreement, in proportion to their respective Percentage Voting Interest ("Percentage Voting Interest") in the Company. The Percentage Voting Interest of a Voting Member shall be the percentage that is derived when the Member's Voting Capital account is divided by the total of all of the Voting Capital accounts. The Company may decide to issue Class B Nonvoting Capital (the "Nonvoting Capital") to Members who have no voting rights, but have an Ownership Interest, as defined below.

**Section 2.3 Ownership Interests.** A Member's Ownership Interest ("Ownership Interest") shall be the equity holding a Member has in the Company, which shall determine the Member's rights to profits and other payouts and, where applicable, debts and obligations to or on behalf of the Company. The "Percentage Ownership Interest" of a Voting Member shall be the percentage that is derived when the Member's Ownership Interest is divided by the total of all of the Ownership Interests of all Members. The Members shall have the initial Ownership and Voting Interests in the Company that are identified in Exhibit A, immediately following the making of the capital contributions set forth therein if any.

**Section 2.4 Management by Voting Members.** The Voting Members shall manage the Company and shall have the right to vote, in their capacity as Managers, upon all matters upon which Managers have the right to vote under the Act or under this Agreement, in proportion to their respective Percentage Voting Interests in the Company. Voting Members need not identify whether they are acting in their capacity as Members or Managers when they act.

The Nonvoting Members shall have no right to vote or otherwise participate in the management of the Company. No Nonvoting Member shall, without the prior written consent of all of the Voting Members, take any action on behalf of, or in the name of, the Company, or enter into any contract, agreement, commitment or obligation binding upon the Company, or perform any act in any way relating to the Company or the Company's assets.

**Section 2.5 Voting.** Except as otherwise provided or permitted by this Agreement, Voting Members shall in all cases, in their capacity as Members or Managers of the Company, act collectively, and, unless otherwise specified or permitted by this Agreement, upon the majority vote of the Voting Members which members establish a quorum as defined in section 4.6 of this Agreement. Except as otherwise provided or permitted by this Agreement, no Voting Member acting individually, in his capacity as a Member or Manager of the Company, shall have any power or authority to sign for, bind or act on behalf of the Company in any way, to pledge the Company's credit, or to render the Company liable for any purpose.

Unless the context requires otherwise, in this Agreement, the terms "Member" or "Members," without the qualifiers "Voting" or "Nonvoting," refer to the Voting and Nonvoting Members collectively; and the terms "Manager" or "Managers" refers to the Voting Members.

**Section 2.6 Liability of Members.** All debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities

of the Company, and no Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member.

**Section 2.7 New Members.** The Voting Members may issue additional Voting Capital, or reallocate the Ownership Interests among the Members, and thereby admit a new Member or Members, as the case may be, to the Company, only if such new Member (i) is approved unanimously by the Voting Members; (ii) delivers to the Company his or her required capital contribution, if any; (iii) agrees in writing to be bound by the terms of this Agreement by becoming a party hereto; and (iv) delivers such additional documentation as the Voting Members shall reasonably require to so admit such new Member to the Company.

Upon the admission of a new Member or Members, as the case may be, to the Company, the capital accounts of Members, and the calculations that are based on the capital accounts, shall be adjusted appropriately.

**Section 2.8 Vesting Schedule.** The Voting and Ownership Interests of Joseph Kennedy shall become fully vested upon his provision of credit of three million dollars (\$3,000,000.00) or more on terms satisfactory to the Company. Once such terms are agreed to, Kennedy shall immediately and automatically vest in his entire Voting and Ownership Interests as set forth in Exhibit A. The Voting and Ownership Interests of Penders and Winmill are stated as a total possible, and are each subject to vesting upon the successful conclusion of each full calendar from the date hereof year as follows: Penders and Winmill shall each immediately vest in one-quarter of a percent (.25%) upon execution of this Operating Agreement. Subject to Penders and Winmill's continued provision of services in a manner satisfactory to the reasonable professional standards of a majority of the Voting Members, each shall vest in Voting and Ownership Interests at the rate of point one eight seven five of a percent (.1875%) at the conclusion of the first full calendar year, and an additional point four three seven five of a percent (.4375%) per annum for the following three (3) years. Such vesting shall be subject to the terms of the Vesting and Acceleration Agreement. Prior to them becoming vested, all Winmill and Penders unvested Voting and Ownership Interests percentages shall be allocated evenly between Pouya Mohajer and Shane Terry, assuming their continued Membership with the Company, otherwise allocated among all Voting Members in proportion to each Member's Voting and Ownership Interest percentage, to ensure a total of 100% of the Voting and Ownership Interests are allocated at all times ("Allocated Unvested Shares"). As Penders and Winmill vest in the Allocated Unvested Shares, they shall immediately and automatically be reallocated to Penders and Winmill.

With regard to any Ownership Interests granted by the Company after the execution of this Operating Agreement, such Ownership Interests shall be reallocated from existing Members as follows: all such interests shall be subtracted from the Ownership Interest of Pej Bady until such time Bady's Ownership Interest has been reduced to thirty-eight percent (38%). In the event any further or more Ownership Interests are granted by the Company, such Ownership Interests shall be sourced by taking a proportional share of the dilutable Ownership Interests of the Members. All Members whose Ownership Interests are dilutable shall have their Ownership Interest percentages reduced in proportion to their Ownership Interests relative to all other dilutable Members' Ownership Interests. Ownership Interests designated as nondilutable will not decrease.

With regard to any Voting Interests granted by the Company after the execution of this Operating Agreement, such Voting Interests shall be reallocated from existing Members as follows: all such interests shall be subtracted in equal parts from the Voting Interests of Pouya Mohajer and Shane

Terry until such time Mohajer and Terry's respective Ownership Interests have been reduced to nineteen percent (19%). In the event any further or more Voting Interests are granted by the Company, such Voting Interests shall be sourced by taking a proportional share of the dilutable Voting Interests of the Members. All Members whose Voting Interests are dilutable shall have their Voting Interest percentages reduced in proportion to their Ownership Interests relative to all other dilutable Members' Voting Interests. Voting Interests designated as nondilutable will not decrease.

**Section 2.9 Anti-Dilution.** Certain of the Members' Ownership Interests will be denoted as being non-dilutable. In the event the Company issues additional Ownership Interests, or reallocates Ownership Interests among the Members (either, a "Dilutive Transaction"), the Non-dilutable Ownership Interests shall remain constant as a percentage of the total outstanding Ownership Interests before and after the Dilutive Transaction.

### ARTICLE III CAPITAL ACCOUNTS

**3.1 Capital Accounts.** A separate capital account shall be maintained for each Member's ownership interest in Class A Voting Capital (the "Voting Capital Account") and Class B Nonvoting Capital (the "Nonvoting Capital Account").

The capital account of each Member shall be increased by (i) the amount of any cash and the fair market value of any property contributed to the Company by such Member (net of any liability secured by such contributed property that the Company is considered to assume or take subject to), (ii) the amount of income or profits allocated to such Member.

The capital account or accounts of each Member shall be reduced by (i) the amount of any cash and the fair market value of any property distributed to the Member by the Company (net of liabilities secured by such distributed property that the Member is considered to assume or take subject to on account of his ownership interest), (ii) the amount of expenses or loss allocated to the Member. If any property other than cash is distributed to a Member, the Capital Accounts of the Members shall be adjusted as if the property had instead been sold by the Company for a price equal to its fair market value and the proceeds distributed.

Guaranteed Payments ("Guaranteed Payments") for salary, wages, fees, payments on loans, approved invoices, rents, etc., may be made to the Members. Guaranteed Payments shall not be deemed to be distributions to the Members on account of their Ownership Interests, and shall not be charged to the Members' capital accounts.

No Member shall be obligated to restore any negative balance in his Capital Account. No Member shall be compensated for any positive balance in his Capital Account except as otherwise expressly provided herein. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2) and shall be interpreted and applied in a manner consistent with such Regulations. The Members agree that the initial Capital Accounts of the Members on the date hereof are as set forth in Exhibit A, or shall be made as such within 30 days of the Effective Date.

**3.2 Additional Contributions.** If, at any time or times hereafter, the Voting Members

shall determine that additional capital is required by the Company, the Voting Members shall determine the amount of such additional capital and the anticipated time such additional capital will be required and whether such additional capital shall be provided by the Members by way of additional Capital Contributions or by way of loans from Members. No Member shall be obligated, at any time, to guarantee or otherwise assume or become liable for any obligations of the Company or to make any additional Capital Contributions advances or loans to the Company, unless such obligations are specifically accepted and agreed to by such Member.

The capital accounts of the Members, and the calculations that are based on the capital accounts, shall be adjusted appropriately to reflect any transfer of an interest in the Company, distributions, or additional capital contributions.

**3.3 Withdrawal and Return of Capital.** No Member may withdraw any portion of the capital of the Company, and no Member shall be entitled to the return of any contribution to the capital except upon majority vote of the Voting Members. The return of Capital Contributions shall have priority over any distributions to the members and shall be made within the sole discretion of a majority of the Voting Members.

**3.4 Interest on Capital Contributions.** Interest on all Capital Contributions made by the Voting Members shall accrue at a rate of 8% from the date of the contribution until fully paid. This shall apply to all contributions made by the Voting Members regardless of the timing of the Capital Contribution. Specifically it is understood that significant sums have been paid or will be paid by the Voting Members in order to effectuate the goals and purposes of the Company. All said contributions shall be repaid in full with interest, as provided for herein, in accordance with the provisions of Section 3.3.

#### **ARTICLE IV MANNER OF ACTING**

**4.1 Officers and Agents of the Company.** The Voting Members may authorize any Member or Members of the Company, or other individuals or entities, whether or not a Member, to take action on behalf of the Company, as the Voting Members deem appropriate. Any Member may lend money to and receive loans from the Company, act as an employee, independent contractor, lessee, lessor, or surety of the company, and transact any business with the Company that could be carried out by someone who is not a Member; and the Company may receive from or pay to any Member remuneration, in the form of wages, salary, fees, rent, interest, or any form that the Voting Members deem appropriate.

The Voting Members may appoint officers of the Company who, to the extent provided by the Voting Members, may have and may exercise all the powers and authority of the Members or Managers in the conduct of the business and affairs of the Company. The officers of the Company may consist of a President, a Treasurer, a Secretary, or other officers or agents as may be elected or appointed by the Voting Members. The Voting Members may provide rules for the appointment, removal, supervision and compensation of such officers, the scope of their authority, and any other matters relevant to the positions. The officers shall act in the name of the Company and shall supervise its operation, within the scope of their authority, under the direction and management of the Voting Members.

Any action taken by a duly authorized officer, pursuant to authority granted by the Voting Members in accordance with this Agreement, shall constitute the act of and serve to bind the

Company, and each Member hereby agrees neither to dispute such action nor the obligation of the Company created thereby.

**4.2 Authority to Bind the Company.** Notwithstanding the foregoing, no Member without a majority vote consisting of 60% of the Voting Members' interest in the Company, shall have the authority to engage in the following transactions:

- (a) Borrowing money in the Company's name;
- (b) Transferring, settling or releasing any claim of the Company, except upon payment in full;
- (c) Mortgaging any of the Company's property, or pledging any property of the Company as security for any loan;
- (d) Selling or leasing any of the Company's property other than in the ordinary course of business;
- (e) Knowingly causing anything to be done whereby any of the Company's property may be subjected to seizure, attachment or forfeiture or the Company's ownership or possession of any such property may be put at risk;
- (f) The sale, exchange or other disposition of all, or substantially all, of the Company's assets occurring as part of a single transaction or plan, or in multiple transactions over a six month period, except in the orderly liquidation and winding up of the business of the Company upon its duly authorized dissolution;
- (g) The merger of the Company with another partnership, corporation, limited liability company or other entity; and
- (h) Agreeing to or executing any check, draft or other evidence of indebtedness of the Company, obligating the Company to pay in the aggregate an amount greater than One Thousand Dollars (\$1,000.00). Notwithstanding the foregoing, the Chief Executive Officer can agree to or execute any check, draft or other evidence of indebtedness of the Company, obligating the Company to pay in the aggregate an amount more than Ten Thousand Dollars (\$10,000.00).

**4.3 Meetings of Voting Members.** No regular, annual, special or other meetings of Voting Members are required to be held. Any action that may be taken at a meeting of Voting Members may be taken without a meeting by written consent in accordance with the Act. Meetings of the Voting Members, for any purpose or purposes, may be called at any time by a majority of the Voting Members, or by the President of the Company, if any. The Voting Members may designate any place as the place of meeting for any meeting of the Voting Members. If no designation is made, the place of meeting shall be the principal place of business of the Company.

**4.4 Notice of Meetings.** In the event that a meeting of the Voting Members is called,

written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than five nor more than sixty business days before the date of the meeting unless otherwise provided, either personally or by mail, by or at the direction of the Members calling the meeting, to each Voting Member. Notice of a meeting need not be given to any Voting Member who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Voting Member.

**4.5 Record Date.** For the purpose of determining Voting Members entitled to notice of or to vote at any meeting of Voting Members or any adjournment thereof, the date on which notice of the meeting is provided shall be the record date for such determination of the Voting Members. When a determination of Voting Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

**4.6 Quorum.** Members holding at least 66% of the Voting Capital in the Company represented in person, by telephonic participation, or by proxy, shall constitute a quorum at any meeting of Voting Members. In the absence of a quorum at any such meeting, a majority of the Voting Members so represented may adjourn the meeting from time to time for a period not to exceed sixty days without further notice. However, if the adjournment is for more than sixty days, or if after the adjournment a new record date is fixed for another meeting, a notice of the adjourned meeting shall be given to each Voting Member. The Voting Members present at a duly organized meeting may continue to transact business only as previously provided on the agenda until adjournment, notwithstanding the withdrawal during such meeting of that number of Voting Members whose absence would cause less than a quorum.

**4.7 Voting.** If a quorum is present, a majority vote of the Voting Members so represented shall be the act of the Members or Managers, unless the vote of a lesser or greater proportion or number is otherwise required by the Act, by the Certificate or by this Agreement.

## ARTICLE V

### ALLOCATIONS AND DISTRIBUTIONS

**5.1 Allocations of Profits and Losses.** Subject to applicable law and any limitations elsewhere in this Agreement, Profits and Losses, after deducting Guaranteed Payments, shall be allocated among the Members in proportion to their Percentage Ownership Interests. Any special allocations necessary to comply with the requirements set forth in Internal Revenue Code Section 704 and the corresponding Regulations, including, without limitation, the qualified income offset and minimum gain chargeback provisions contained therein, shall be made if the Voting Members deem these actions to be appropriate.

**5.2 Distributions.** Subject to applicable law and any limitations elsewhere in this Agreement below, the Voting Members shall determine the amount and timing of all distributions of cash, or other assets, by the Company. Except as otherwise provided in this Agreement, all distributions shall be made as follows:

Distributions:

- Eighty percent (80%) of each distribution will be allocated among all of the Members, as follows (the "Distribution Interests"):



Pejman Bady	38%
Pouya Mohajer	25.25%
Shane Terry	25.25%
Jennifer Goldstein	7%
Joseph Kennedy	1*%
John Penders	1.75%
Ryan Winmill	1.75%

and

- Twenty percent (20%) of each distribution shall be allocated to satisfy any contractual obligations owed by the Company to consultants, vendors, advisors or others with whom the Company has an appropriate written agreement providing for such distributions (“Distributions Partners”); in the event less than 20% of the Distribution has been allocated to Distributions Partners, the unallocated percentage shall be allocated to the Members in proportion to their Percentage Distribution Interests.

Except as otherwise provided in this Agreement, the decision as to whether to make distributions shall be within the sole discretion of the Voting Members.

With regard to any Distribution Interests granted by the Company after the execution of this Operating Agreement, such Distribution Interests shall be reallocated from existing Members as follows: all such interests shall be subtracted in equal parts from the Distribution Interests of Pouya Mohajer and Shane Terry until such time Mohajer and Terry’s respective Distribution Interests have been reduced to nineteen percent (19%). In the event any further or more Voting Interests are granted by the Company, such Voting Interests shall be sourced by taking a proportional share of the dilutable Voting Interests of the Members. All Members whose Voting Interests are dilutable shall have their Voting Interest percentages reduced in proportion to their Distribution Interests relative to all other dilutable Members’ Voting Interests. Distribution Interests designated as nondilutable will not decrease.

All such distributions shall be made only to the Members who, according to the books and records of the Company, are the holders of record on the actual date of distribution. The Voting Members may base a determination that a distribution of cash may be made on a balance sheet, profit and loss statement, cash flow statement of the Company or other relevant information. Neither the Company nor the Members shall incur any liability for making distributions.

**Vesting Schedule.** The Distribution Interests of Joseph Kennedy shall become fully vested upon his provision of credit of three million dollars (\$3,000,000.00) or more on terms satisfactory to the Company. Once such terms are agreed to, Kennedy shall immediately and automatically vest in his entire Distribution Interests as set forth in Exhibit A.

**5.3 Form of Distribution.** No Member has the right to demand and receive any distribution from the Company in any form other than money. No Member may be compelled to

accept from the Company a distribution of any asset in kind in lieu of a proportionate distribution of money being made to other Members except on the dissolution and winding up of the Company.

**5.4 Non-Compete Agreement.** The Members agree that they will not at any time within one (1) year from the earlier of (1) the termination of the Member's Voting Interests for any reason or (2) the termination of this Agreement: directly or indirectly engage in or prepare to engage in, or to have any ownership interest in any business, venture or entity that engages in, or is preparing to engage in, business or activities that directly compete with the services provided by the Company, unless the Member is already engaged in such business or venture at the time this Agreement is entered into, unless such matter is agreed upon in writing by a majority of the disinterested Voting Members. Subject to the foregoing, the departing Member shall only be precluded from competing in any county in which any of the following have occurred: (1) the Company has an in process or pending application; (2) the Company has received licenses to operate any medical marijuana facility; and (3) the Company sells or delivers marijuana and marijuana products (each, a "Competing County"). For purposes of this provision, any county in which the Company's only sale or delivery was related exclusively to Auntie Dolores products shall not be deemed a Competing County unless another provision hereof applies. The other Members may override this provision is by an agreement in writing executed by a majority of the disinterested Voting Members.

## ARTICLE VI

### TRANSFER AND ASSIGNMENT OF INTERESTS

**6.1 Resignation of Membership and Return of Capital.** For a period of two (2) years after the Articles of Organization for the Company are filed ("the filing"), no Member may voluntarily resign his membership in the Company, and no Member shall be entitled to any return of capital from the company, except upon the written consent of all of the other Voting Members. During the third year after the filing, a Member may voluntarily resign his membership, but such Member shall be entitled to receive from the Company only the book value of his Ownership Interest, adjusted for profits and losses to the date of resignation, unless otherwise agreed by written consent of all of the other Voting Members. Subsequent to the third year after filing, a Member may voluntarily resign his membership and shall be entitled to receive from the Company the fair market value of his Ownership Interest, adjusted for profits and losses to the date of resignation. Fair market value may be determined informally by unanimous agreement of all of the Voting Members, including the resigning Member. In the absence of an informal agreement as to fair market value, the Voting Members shall hire an appraiser to determine fair market value. The cost of any appraisal shall be deducted from the fair market value to which the resigning Member is entitled. The other Voting Members may elect, by written notice that is provided to the resigning Member within thirty (30) days after the resignation date, for the Company to purchase the resigning Member's Interest (whether the interest is being purchased at book value or fair market value) in four (4) equal annual installments, with the first installment

being due sixty (60) days after the Member's resignation.

**6.2 Expulsion or Death of a Member.** A Member's interest in the Company may be terminated or expelled only upon agreement of the Disinterested Voting Members by a vote of 60% or more of Disinterested Voting Interests. Expulsion may only be made by a majority vote of 60% or more of the Disinterested Voting Interests that the expelled member was not acting in the best interest of the Company or was otherwise acting in a manner that was contrary to the purpose of the Company. For purposes of this provision, the "Disinterested Voting Members" shall be those Members who's membership in the Company is not then being voted upon, and "Disinterested Voting Interests" shall be the total percentage of the Ownership Interests held by the Disinterested Voting Members. By means of example only, if the Members sought to expel Member A, who owned a 20% Voting Interest, the Disinterested Voting Members would be all Members other than Member A, and the vote would require 60% of the 80% Disinterested Voting Interests to carry. In order to terminate a Member's interest a meeting of the Voting Members must be held in accordance with the provisions of Section 4.3.

Upon the expulsion or death of a Member, the Member's successor-in-interest, estate or beneficiary or beneficiaries, as the case may be, shall be entitled to receive from the Company, in exchange for all of the former Member's Ownership Interest, the fair market value of that Member's Ownership Interest, adjusted for profits and losses to the date of the expulsion or death. Fair market value may be determined informally by a unanimous good-faith agreement of all of the Voting Members. In the absence of an informal agreement as to fair market value, the Voting Members shall hire an appraiser to determine fair market value. The cost of any appraisal shall be deducted from the fair market value to which the former Member or the former Member's successor-in-interest, estate or beneficiary or beneficiaries is or are entitled. The Voting Members may elect, by written notice that is provided to the expelled or deceased Member's successor-in-interest, estate or beneficiary or beneficiaries, within thirty (30) days after the Member's expulsion or death, to purchase the former Member's Ownership Interest over a one-year (1 year) period, in four (4) equal installments, with the first installment being due sixty (60) days after the Member's expulsion or date of death. Unless otherwise agreed unanimously by the Voting Members, prior to the completion of such purchase, the former Member's successor-in-interest, estate or beneficiary or beneficiaries, shall have no right to become a Member or to participate in the management of the business and affairs of the Company as a Member or Manager, and shall only have the rights of an Assignee and be entitled only to receive the share of profits and the return of capital to which the former Member would otherwise have been entitled. The Company, or the other Voting Members, in its or their discretion, may purchase insurance on the lives of any of the Members, with the company or the purchasing Member named as the beneficiary, as the purchaser may decide, and use all or any of the proceeds from such insurance as a source of proceeds from which the deceased Member's Membership Ownership Interest may be purchased by the Company.

**6.3 Restrictions on Transfer.** Except (i) as otherwise provided in this Article or (ii) upon the unanimous consent of all of the other Voting Members, no Member shall sell, hypothecate, pledge, assign or otherwise transfer, with or without consideration, any part or all of his Ownership Interest in the Company to any other person or entity (a "Transferee"), without first offering (the "Offer") that portion of his or her Ownership Interest in the Company subject to the contemplated transfer (the "Offered Interest") first to the Company, and secondly, to the other Voting Members, at the purchase price (hereinafter referred to as the "Transfer Purchase Price") and in the manner as prescribed in the Offer.

The Offering Member shall make the Offer first to the Company by written notice (hereinafter referred to as the "Offering Notice"). Within twenty (20) days (the "Company Offer Period") after receipt by the Company of the Offering Notice, the Company shall notify the Offering Member in writing (the "Company Notice"), whether or not the Company shall accept the Offer and shall purchase all but not less than all of the Offered Interest. If the Company accepts the Offer to purchase the Offered Interest, the Company Notice shall fix a closing date not more than twenty-five (25) days (the "Company Closing Date") after the expiration of the Company Offer Period.

In the event the Company decides not to accept the Offer, the Offering Member or the Company, at his or her or its election, shall, by written notice (the "Remaining Member Notice") given within that period (the "Member Offer Period") terminating ten (10) days after the expiration of the Company Offer Period, make the Offer of the Offered Interest to the other Voting Members, each of whom shall then have a period of twenty-five (25) days (the "Member Acceptance Period") after the expiration of the Member Offer Period within which to notify in writing the Offering Member whether or not he or she intends to purchase all but not less than all of the Offered Interest. If two (2) or more Voting Members of the Company desire to accept the Offer to purchase the Offered Interest, then, in the absence of an agreement between them, such Voting Members shall have the right to purchase the Offered Interest in proportion to their respective Percentage Voting Interests. If the other Voting Members intend to accept the Offer and to purchase the Offered Interest, the written notice required to be given by them shall fix a closing date not more than sixty (60) days after the expiration of the Member Acceptance Period (hereinafter referred to as the "Member Closing Date").

The aggregate dollar amount of the Transfer Purchase Price shall be payable in cash on the Company Closing Date or on the Member Closing Date, as the case may be, unless the Company or the purchasing Voting Members shall elect by written notice that is delivered to the Offering Member, prior to or on the Company Closing Date or the Member Closing Date, as the case may be, to purchase such Offered Interest in four (4) equal annual installments, with the first installment being due on the Closing Date.

If the Company or the other Voting Members fail to accept the Offer or, if the Offer is accepted by the Company or the other Voting Members and the Company or the other Voting Members fail to purchase all of the Offered Interest at the Transfer Purchase Price within the time and in the manner specified, then the Offering Member shall be free, for a period (hereinafter referred to as the "Free Transfer Period") of sixty (60) days from the occurrence of such failure, to transfer the Offered Interest to a Transferee; provided, however, that if all of the other Voting Members other than the Offering Member do not approve of the proposed transfer by unanimous written consent, the Transferee of the Offered Interest shall have no right to become a Member or to participate in the management of the business and affairs of the Company as a Member or Manager, and shall only have the rights of an Assignee and be entitled to receive the share of profits and the return of capital to which the Offering Member would otherwise have been entitled. A Transferee shall be admitted as a Member of the Company, and as a result of which he or she shall become a substituted Member, with the rights that are consistent with the Membership Interest that was transferred, only if such new Member (i) is approved unanimously by the Voting Members; (ii) delivers to the Company his required capital contribution; (iii) agrees in writing to be bound by the terms of this Agreement by becoming a party hereto.

If the Offering Member shall not transfer the Offered Interest within the Free Transfer Period, his or her right to transfer the Offered Interest free of the foregoing restrictions shall thereupon cease

and terminate.

**6.4 Involuntary Transfer of a Membership Interest.** A creditor's charging order or lien on a Member's Membership Interest, bankruptcy of a Member resulting in an encumbrance or transfer of the Member's Membership Interest, or other involuntary transfer of Member's Membership Interest, shall constitute a material breach of this Agreement by such Member. The creditor, transferee or other claimant, shall only have the rights of an Assignee, and shall have no right to become a Member, or to participate in the management of the business and affairs of the Company as a Member or Manager under any circumstances, and shall be entitled only to receive the share of profits and losses, and the return of capital, to which the Member would otherwise have been entitled. The Voting Members, including a Voting Member whose interest is the subject of the charging order, lien, bankruptcy, or involuntary transfer, may unanimously elect, by written notice that is provided to the creditor, transferee or other claimant, at any time, to purchase all or any part of Membership Interest that was the subject of the creditor's charging order, lien, bankruptcy, or other involuntary transfer, at a price that is equal to one-half (1/2) of the book value of such interest, adjusted for profits and losses to the date of purchase. The Members agree that such valuation is a good-faith attempt at fixing the value of the interest, after taking into account that the interest does not include all of the rights of a Member or Manager, and after deducting damages that are due to the material breach of this Agreement.

## ARTICLE VII

### ACCOUNTING, RECORDS AND REPORTING

**7.1 Books and Records.** The Company shall maintain complete and accurate accounts in proper books of all transactions of or on behalf of the Company and shall enter or cause to be entered therein a full and accurate account of all transactions on behalf of the Company. The Company's books and accounting records shall be kept in accordance with such accounting principles (which shall be consistently applied throughout each accounting period) as the Voting Members may determine to be convenient and advisable. The Company shall maintain at its principal office all of the following:

A current list of the full name and last known business or residence address of each Member in the Company set forth in alphabetical order, together with, for each Member, the Class A Voting Capital account and Class B Nonvoting Capital account, including entries to these accounts for contributions and distributions; the Ownership Interest, Percentage Ownership and Voting Interests; a copy of the Certificate and any and all amendments thereto together with executed copies of any powers of attorney pursuant to which the Certificate or any amendments thereto have been executed; copies of the Company's federal, state and local income tax or information returns and reports, if any, for the six most recent taxable years; a copy of this Agreement and any and all amendments hereto together with executed copies of any powers of attorney pursuant to which this Agreement or any amendments thereto have been executed; copies of the financial statements of the Company, if any, for the six most recent Fiscal Years; the Company's books and records as they relate to the internal affairs of the Company for at least the current and past four Fiscal Years; true and full information regarding the status of the business and financial condition of the Company; and true and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each Member and which each Member has agreed to contribute in the future, and the date on

which each became a Member.

**7.2 Inspection of Books and Records.** Each Member has the right, on reasonable request for purposes reasonably related to the interest of the person as a Member or a Manager, to: (a) inspect and copy during normal business hours any of the Company's records described in Section 7.1; and (b) obtain from the Company promptly after their becoming available a copy of the Company's federal, state and local income tax or information returns for each Fiscal Year.

**7.3 Accountings.** As soon as is reasonably practicable after the close of each Fiscal Year, the Voting Members shall make or cause to be made a full and accurate accounting of the affairs of the Company as of the close of that Fiscal Year and shall prepare or cause to be prepared a balance sheet as of the end of such Fiscal Year, a profit and loss statement for that Fiscal Year and a statement of Members' equity showing the respective Capital Accounts of the Members as of the close of such Fiscal Year and the distributions, if any, to Members during such Fiscal Year, and any other statements and information necessary for a complete and fair presentation of the financial condition of the Company, all of which the Manager shall furnish to each Member. In addition, the Company shall furnish to each Member information regarding the Company necessary for such Member to complete such Member's federal and state income tax returns. The Company shall also furnish a copy of the Company's tax returns to any Member requesting the same. On such accounting being made, profits and losses during such Fiscal Year shall be ascertained and credited or debited, as the case may be, in the books of account of the Company to the respective Members as herein provided.

**7.4 Filings.** The Voting Members, at Company expense, shall cause the income tax returns for the Company to be prepared and timely filed with the appropriate authorities. The Voting Members, at Company expense, shall also cause to be prepared and timely filed with appropriate federal and state regulatory and administrative bodies amendments to, or restatements of, the Certificate and all reports required to be filed by the Company with those entities under the Act or other then current applicable laws, rules, and regulations. If the Company is required by the Act to execute or file any document and fails, after demand, to do so within a reasonable period of time or refuses to do so, any Member may prepare, execute and file that document with the Nevada Secretary of State.

**7.5 Bank Accounts.** The Company shall maintain its funds in one or more separate bank accounts in the name of the Company, and shall not permit the funds of the Company to be commingled in any fashion with the funds of any other Person.

**7.6 Tax Matters Partner.** The Voting Members may, in their exclusive discretion, appoint, remove and replace a Tax Matters Partner at any time or times. The Voting Members shall from time to time cause the Company to make such tax elections as they deem to be in the interests of the Company and the Members generally. The Tax Matters Partner, as defined in Internal Revenue Code Section 6231, shall represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by tax authorities, including resulting judicial and administrative proceedings, and shall expend the Company funds for professional services and costs associated therewith.

## **ARTICLE VIII**

### **DISSOLUTION AND WINDING UP**

**8.1 Dissolution.** The Company shall be dissolved, its assets shall be disposed of, and its affairs wound up on the first to occur of: the entry of a decree of judicial dissolution pursuant to

the Act; the majority approval of the Voting Members; or any other event causing a dissolution of a Limited Liability Company under the laws of the State of Nevada.

**8.2 Winding Up.** On the occurrence of an event specified in Section 8.1, the Company shall continue solely for the purpose of winding up its affairs in an orderly manner, liquidating its assets and satisfying the claims of its creditors. The Voting Members shall be responsible for overseeing the winding up and liquidation of Company, shall take full account of the assets and liabilities of Company, shall cause such assets to be sold or distributed, and shall cause the proceeds therefrom, to the extent sufficient therefor, to be applied and distributed as provided in Section 9.4. The Voting Members shall give written notice of the commencement of winding up by mail to all known creditors and claimants whose addresses appear on the records of the Company. The Members shall be entitled to reasonable compensation for such services.

**8.3 Distributions in Kind.** All noncash contributions to the Capital Accounts shall be returned to the Member who made such contribution upon dissolution of the Company, to the extent such noncash assets exist and may be legally returned to the contributing Member. Any remaining noncash assets distributed to the Members shall first be valued at their fair market value to determine the profit or loss that would have resulted if such assets were sold for such value. Such profit or loss shall then be allocated pursuant to this Agreement, and the Members' Capital Accounts shall be adjusted to reflect such allocations. The amount distributed and charged against the Capital Account of each Member receiving an interest in a distributed asset shall be the fair market value of such interest (net of any liability secured by such asset that such Member assumes or takes subject to). The fair market value of such asset shall be determined by the Voting Members, or if any Voting Member objects, by an independent appraiser (and any such appraiser must be recognized as an expert in valuing the type of asset involved) selected by a Majority of the Voting Members.

**8.4 Order of Payment of Liabilities on Dissolution.** After a determination that all known debts and liabilities of the Company in the process of winding up, including, without limitation, debts and liabilities to Members who are creditors of the Company, have been paid or adequately provided for, the remaining assets shall be distributed to the Members in proportion to their Ownership Interests.

**8.5 Adequacy of Payment.** The payment of a debt or liability, whether the whereabouts of the creditor is known or unknown, shall have been adequately provided for if payment thereof shall have been assumed or guaranteed in good faith by one or more financially responsible Persons or by the United States government or any agency thereof, and the provision, including the financial responsibility of the Person, was determined in good faith and with reasonable care by the Members to be adequate at the time of any distribution of the assets pursuant to this Section. This Section shall not prescribe the exclusive means of making adequate provision for debts and liabilities.

**8.6 Compliance with Regulations.** All payments to the Members on the winding up and dissolution of Company shall be strictly in accordance with the positive capital account balance limitation and other requirements of Regulations Section 1.704-1(b)(2)(ii)(d), as the voting Members deem appropriate.

**8.7 Limitations on Payments Made in Dissolution.** Except as otherwise specifically provided in this Agreement, each Member shall only be entitled to look solely to the assets of the Company for the return of such Member's positive Capital Account balance and shall have no recourse for such Member's Capital Contribution or share of profits (on dissolution or otherwise)

against any other Member.

**8.8 Certificate of Cancellation.** The Voting Members conducting the winding up of the affairs of the Company shall cause to be filed in the office of, and on a form prescribed by the Nevada Secretary of State, a certificate of cancellation of the Certificate on the completion of the winding up of the affairs of the Company.

## ARTICLE IX

### EXCULPATION AND INDEMNIFICATION, REPS AND WARRANTIES

**9.1 Exculpation of Members.** Subject to the limitations of section 9.3, no Member shall be liable to the Company or to the other Members for damages or otherwise with respect to any actions taken or not taken, as long as such act or omission was made in good faith and reasonably believed by such Member to be in or not opposed to the best interests of the Company, except to the extent any related loss results from fraud, gross negligence or willful or wanton misconduct on the part of such Member or the material breach of any obligation under this Agreement or of the fiduciary duties owed to the Company or the other Members by such Member.

**9.2 Indemnification by Company.** Subject to the limitations of section 9.3, below, the Company shall indemnify, hold harmless and defend the Members, in their capacity as Members, Managers, or Officers, from and against any loss, expense, damage or injury suffered or sustained by them by reason of any acts or omissions arising out of their activities on behalf of the Company or in furtherance of the interests of the Company, including but not limited to any judgment, award, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, if the acts or omissions were not performed or omitted fraudulently or as a result of gross negligence or willful misconduct by the indemnified party. Reasonable expenses incurred by the indemnified party in connection with any such proceeding relating to the foregoing matters may be paid or reimbursed by the Company in advance of the final disposition of such proceeding upon receipt by the Company of (i) written affirmation by the Person requesting indemnification of its good-faith belief that it has met the standard of conduct necessary for indemnification by the Company and (ii) a written undertaking by or on behalf of such Person to repay such amount if it shall ultimately be determined by a court of competent jurisdiction that such Person has not met such standard of conduct, which undertaking shall be an unlimited general obligation of the indemnified party but need not be secured.

**9.3 Intellectual Property Indemnification.** Notwithstanding the foregoing, each Member will indemnify, defend and hold harmless the other Member and any of its Affiliates, customers, officers, directors, employees, agents, assigns, and successors for any loss, damage, expense, costs (including, but not limited to, fees for attorneys and other professionals) or liability arising out of or in connection with a claim for intellectual property infringement or misappropriation of any patent, copyright, trade secret or other intellectual property right of a third party.

The indemnity obligations under this section are conditioned upon the Party seeking indemnification (the "Indemnified Party") (a) giving the other Party (the "Indemnifying Party") prompt Notice of such claim; (b) cooperating with the Indemnifying Party, at the Indemnifying Party's expense in the defense of such claim; and (c) giving the Indemnifying Party the right to



control the defense and settlement of any such claim, except that the Indemnifying Party shall not enter into any settlement or consent to judgment that affects the Indemnified Party's rights or interests without the Indemnified Party's prior written approval.

**9.4 Insurance.** The Company shall have the power to purchase and maintain insurance on behalf of any Person who is or was a Member or an agent of the Company against any liability asserted against such Person and incurred by such Person in any such capacity, or arising out of such Person's status as a Member or an agent of the Company, whether or not the Company would have the power to indemnify such Person against such liability under Section 10.1 or under applicable law.

## **ARTICLE X**

### **INTELLECTUAL PROPERTY**

**10.1 Definition of Intellectual Property.** "Intellectual Property" means all intellectual property rights in the United States or any foreign jurisdiction throughout the world (whether registered or not) including, without limitation, all of the following: (i) all patents and utility models and applications therefore, and all reissues, divisions, re-examinations, renewals, extensions, provisional's, continuations and continuations-in-part thereof, and equivalent or similar rights in inventions and discoveries, including without limitation, invention disclosures; (ii) all trade secrets and other rights in Technology, data, know-how and confidential or proprietary information; (iii) mask works, mask work registrations and applications therefore, and all other rights corresponding thereto throughout the world; (iv) all copyrights, copyrights registrations and applications therefore and all other rights corresponding thereto; (v) all industrial designs and any registrations and applications therefore; (vi) all rights in all trade names, logos, common law trademarks and service marks, trademark and service mark registrations and applications therefore; and (vii) any similar, corresponding or equivalent rights to any of the foregoing anywhere in the world.

**10.2 Ownership of Intellectual Property.** The Parties acknowledge that any and all Intellectual Property created, used or embodied in or in connection with the Project, including without limitation any modifications or improvements made by the Parties based upon ideas, suggestions or proposals communicated between the Parties, are and shall remain the sole and exclusive property of the originating Party, and the other Party shall not during or at any time after the term of this Agreement in any way question or dispute the ownership of any such exclusive ownership rights.

**10.3 Definition of Marks.** "Mark(s)" means the trademarks, service marks, trademark and service mark applications, trade dress, trade names, logos, insignia, symbols, designs or other marks identifying a Party or its products.

**10.4 No Rights in Marks.** Nothing in this Agreement should be construed to grant either Party any rights in the Marks of the other Party. The Parties acknowledge, however, that each Party may use the name of the other Party and the name of their Products in advertising and marketing the Products or the Parties, themselves. The Products will be affixed with appropriate copyright and trademark notices sufficient to give Notice as to the rights of the Parties in their respective products.

**10.5 Confidentiality.** If, during the term, a Party receives or has access to Confidential Information belonging to the other Party, the Parties will be bound to keep all such information confidential. Confidential Information may only be used for purposes related to this Agreement and the Party receiving the confidential information must keep it confidential using the same degree of care that it exercises with respect to its own information of like importance, but in no event less than reasonable care.

## ARTICLE XI DISPUTE RESOLUTION

**11.1 Disputes Among Members.** The Members agree that in the event of any dispute or disagreement solely between or among any of them arising out of, relating to or in connection with this Agreement or the Company or its organization, formation, business or management ("Member Dispute"), the Members shall use their best efforts to resolve any dispute arising out of or in connection with this Agreement by good-faith negotiation and mutual agreement. The Members shall meet at a mutually convenient time and place to attempt to resolve any such dispute.

However, in the event that the Members are unable to resolve any Member Dispute, such parties shall first attempt to settle such dispute through a non-binding mediation proceeding. In the event any party to such mediation proceeding is not satisfied with the results thereof, then any unresolved disputes shall be finally settled in accordance with an arbitration proceeding. In no event shall the results of any mediation proceeding be admissible in any arbitration or judicial proceeding.

**11.2 Mediation.** Mediation proceedings shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association (the "AAA") in effect on the date the notice of mediation was served, other than as specifically modified herein, and shall be non-binding on the parties thereto.

Any Member may commence a mediation proceeding by serving written notice thereof to the other Members, by mail or otherwise, designating the issue(s) to be mediated and the specific provisions of this Agreement under which such issue(s) and dispute arose. The initiating party shall simultaneously file two copies of the notice with the AAA, along with a copy of this Agreement. A Member may withdraw from the Member Dispute by signing an agreement to be bound by the results of the mediation, to the extent the mediation results are accepted by the other Members as provided herein. A Member who withdraws shall have no further right to participate in the Member Dispute.

The Members shall select one neutral third party AAA mediator (the "Mediator") with expertise in the area that is in dispute. If a Mediator has not been selected within five (5) business days thereafter, then a Mediator shall be selected by the AAA in accordance with the Commercial Mediation Rules of the AAA.

The Mediator shall schedule sessions, as necessary, for the presentation by all Members of their respective positions, which, at the option of the Mediator, may be heard by the Mediator jointly or in private, without any other members present. The mediation proceeding shall be held in the city that is the company's principal place of business or such other place as agreed by the Mediator and all of the Members. The Members may submit to the Mediator, no later than ten (10) business days prior to the first scheduled session, a brief memorandum in support of their position.

The Mediator shall make written recommendations for settlement in respect of the dispute, including apportionment of the mediator's fee, within ten (10) business days of the last scheduled session. If any Member involved is not satisfied with the recommendation for settlement, he or she may commence an arbitration proceeding.

**11.3 Arbitration.** Arbitration proceedings shall be conducted under the Rules of Commercial Arbitration of the AAA (the "Rules"). A Member may withdraw from the Member

Dispute by signing an agreement to be bound by the results of the arbitration. A Member who withdraws shall have no further right to participate in the Member Dispute.

The arbitration panel shall consist of one arbitrator. The Members shall select one neutral third party AAA arbitrator (the "Arbitrator") with expertise in the area that is in dispute. If an Arbitrator has not been selected within five (5) business days thereafter, then an Arbitrator shall be selected by the AAA in accordance with the Commercial Arbitration Rules of the AAA. The arbitration proceeding shall be held in the city that is the company's principal place of business or such other place as agreed by the Arbitrator and all of the Members. Any arbitrator who is selected shall disclose promptly to the AAA and to both parties any financial or personal interest the arbitrator may have in the result of the arbitration and/or any other prior or current relationship, or expected or discussed future relationship, with the Members or their representatives. The arbitrator shall promptly conduct proceedings to resolve the dispute in question pursuant to the then existing Rules. To the extent any provisions of the Rules conflict with any provision of this Section, the provisions of this Section shall control.

In any final award and/or order, the arbitrator shall apportion all the costs (other than attorney's fees which shall be borne by the party incurring such fees) incurred in conducting the arbitration in accordance with what the arbitrator deems just and equitable under the circumstances.

Discovery shall not be permitted in such arbitration except as allowed by the rules of arbitration, or as otherwise agreed to by all the parties of the Member Dispute. Notwithstanding, the Members agree to make available to one another and to the arbitrator, for inspection and photocopying, all documents, books and records, if determined by the arbitration panel to be relevant to the dispute, and by making available to one another and to the arbitration panel personnel directly or indirectly under their control, for testimony during hearings if determined by the arbitration panel to be relevant to the dispute. The Members agree, unless undue hardship exists, to conduct arbitration hearings to the greatest extent possible on consecutive business days and to strictly observe time periods established by the Rules or by the arbitrator for the submission of evidence and of briefs. Unless otherwise agreed to by the Members, a stenographic record of the arbitration proceedings shall be made and a transcript thereof shall be ordered for each Member, with each party paying an equal portion of the total cost of such recording and transcription.

The arbitrator shall have all powers of law and equity, which it can lawfully assume, necessary to resolve the issues in dispute including, without limiting the generality of the foregoing, making awards of compensatory damages, issuing both prohibitory and mandatory orders in the nature of injunctions and compelling the production of documents and witnesses for presentation at the arbitration hearings on the merits of the case. The arbitration panel shall neither have nor exercise any power to act as amicable compositeur or ex aequo et bono; or to award special, indirect, consequential or punitive damages. The decision of the arbitration panel shall be in written form and state the reasons upon which it is based. The statutory, case law and common law of the State of Nevada shall govern in interpreting their respective rights, obligations and liabilities arising out of or related to the transactions provided for or contemplated by this Agreement, including without limitation, the validity, construction and performance of all or any portion of this Agreement, and the applicable remedy for any liability established thereunder, and the amount or method of computation of damages which may be awarded, but such governing law shall not include the law pertaining to conflicts or choice of laws of Nevada; provided however, that should the parties refer a dispute arising out of or in connection with an ancillary agreement or an agreement between some or all of the Members which specifically references this Article, then

the statutory, case law and common law of the State whose law governs such agreement (except the law pertaining to conflicts or choice of law) shall govern in interpreting the respective rights, obligations and liabilities of the parties arising out of or related to the transactions provided for or contemplated by such agreement, including, without limitation, the validity, construction and performance of all or any portion of such agreement, and the applicable remedy for any liability established thereunder, and the amount or method of computation of damages which may be awarded.

Any action or proceeding subsequent to any Award rendered by the arbitrator in the Member Dispute, including, but not limited to, any action to confirm, vacate, modify, challenge or enforce the arbitrator's decision or award shall be filed in a court of competent jurisdiction in the same county where the arbitration of the Member Dispute was conducted, and Nevada law shall apply in any such subsequent action or proceeding.

## **ARTICLE XII MISCELLANEOUS**

**12.1 Notices.** Except as otherwise expressly provided herein, any notice, consent, authorization or other communication to be given hereunder shall be in writing and shall be deemed duly given and received when delivered personally, when transmitted by facsimile if receipt is acknowledged by the addressee, one business day after being deposited for next-day delivery with a nationally recognized overnight delivery service, or three business days after being mailed by first class mail, charges and postage prepaid, properly addressed to the party to receive such notice at the address set forth in the Company's records.

**12.2 Severability.** If any provision of this Agreement, or the application of such provision to any Person or circumstance, shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those to which it is held to be invalid or unenforceable, shall not be affected thereby.

**12.3 Binding Effect.** Subject to Article VII, this Agreement shall bind and inure to the benefit of the parties and their respective Successors.

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

**12.5 Entire Agreement.** This Agreement contains the entire agreement of the parties and supersedes all prior or contemporaneous written or oral negotiations, correspondence, understandings and agreements between or among the parties, regarding the subject matter hereof.

**12.6 Further Assurances.** Each Member shall provide such further information with respect to the Member as the Company may reasonably request, and shall execute such other and further certificates, instruments and other documents, as may be necessary and proper to implement, complete and perfect the transactions contemplated by this Agreement.

**12.7 Headings; Gender; Number; References.** The headings of the Sections hereof are solely for convenience of reference and are not part of this Agreement. As used herein, each gender includes each other gender, the singular includes the plural and vice versa, as the context

may require. All references to Sections and subsections are intended to refer to Sections and subsections of this Agreement, except as otherwise indicated.

**12.8 Parties in Interest.** Except as expressly provided in the Act, nothing in this Agreement shall confer any rights or remedies under or by reason of this Agreement on any Persons other than the Members and their respective Successors nor shall anything in this Agreement relieve or discharge the obligation or liability of any third Person to any party to this Agreement, nor shall any provision give any third Person any right of subrogation or action over or against any party to this Agreement.

**12.9 Amendments.** All amendments to this Agreement shall be in writing and signed by all of the Members to the agreement at the time of the amendment.

**12.10 Attorneys' Fees.** In any dispute between or among the Company and one or more of the Members, including, but not limited to, any Member Dispute, the prevailing party or parties in such dispute shall be entitled to recover from the non-prevailing party or parties all reasonable fees, costs and expenses including, without limitation, attorneys' fees, costs and expenses, all of which shall be deemed to have accrued on the commencement of such action, proceeding or arbitration. Attorneys' fees shall include, without limitation, fees incurred in any post-award or post-judgment motions or proceedings, contempt proceedings, garnishment, levy, and debtor and third party examinations, discovery, and bankruptcy litigation, and prevailing party shall mean the party that is determined in the arbitration, action or proceeding to have prevailed or who prevails by dismissal, default or otherwise.

**12.11 Remedies Cumulative.** Subject to Article XI, remedies under this Agreement are cumulative and shall not exclude any other remedies to which any Member may be lawfully entitled.

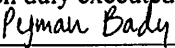
**12.12 Jurisdiction and Venue/Equitable Remedies.** The Company and each Member hereby expressly agrees that if, under any circumstances, any dispute or controversy arising out of or relating to or in any way connected with this Agreement shall, notwithstanding Article XI, be the subject of any court action at law or in equity, such action shall be filed exclusively in the courts of the State of Nevada or of the United States of America with jurisdiction over any county of Nevada as selected by the Member that is the plaintiff in the action, or that initiates the proceeding or arbitration. Each Member agrees not to commence any action, suit or other proceeding arising from, relating to, or in connection with this Agreement except in such a court and each Member irrevocably and unconditionally consents and submits to the personal and exclusive jurisdiction of such courts for the purposes of litigating any such action, and hereby grants jurisdiction to such courts and to any appellate courts having jurisdiction over appeals from such courts or review of such proceedings. Because the breach of the provisions of this Section would cause irreparable harm and significant injury to the Company and the other Members, which would be difficult to ascertain and which may not be compensable by damages alone, each Member agrees that the Company and the other Members will have the right to enforce the provisions of this Section by injunction, specific performance or other equitable relief in addition to any and all other remedies available to such party or parties without showing or proving any actual damage to such parties. Members will be entitled to recover all reasonable costs and expenses, including but not limited to all reasonable attorneys' fees, expert and consultants' fees, incurred in connection with the enforcement of this Section.

**12.13 Authority.** This Agreement constitutes a legal, valid and binding agreement of the Member, enforceable against the Member in accordance with its terms. The Member is

empowered and duly authorized to enter into this Agreement (including the power of attorney herein) under every applicable governing document, partnership agreement, trust instrument, pension plan, charter, certificate of incorporation, bylaw provision or the like. The Person, if any, signing this Agreement on behalf of the Member is empowered and duly authorized to do so by the governing document or trust instrument, pension plan, charter, certificate of incorporation, bylaw provision, board of directors or stockholder resolution or the like.

**12.14 Indemnification by Members in Breach.** Each Member hereby agrees to indemnify and defend the Company, the other Members and each of their respective employees, agents, partners, members, shareholders, officers and directors and hold them harmless from and against any and all claims, liabilities, damages, costs and expenses (including, without limitation, court costs and attorneys' fees and expenses) suffered or incurred on account of or arising out of any breach of this Agreement by that Member.

IN WITNESS WHEREOF, this Limited Liability Company Operating Agreement has been duly executed by or on behalf of the parties hereto as of the date first above written.

  
Member: PEYMAN BADRY

  
Member: POUYA MOHAJER

  
Member: SHANE TERRY

  
Member: RYAN WINMILL

  
Member: JENNIFER GOLDSTEIN

  
Member: JOSEPH KENNEDY

Member: JOHN PENDERS

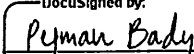
## NUVEDA, LLC

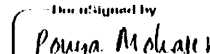
## LISTING OF MEMBERS

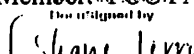
NAME:	ADDRESS:	PERCENTAGE INTERESTS VOTING/OWNERSHIP INTERESTS/DISTRIBUTION:
Pejman Bady	PO Box 6255 Pahrump, NV 89041	46.5%/46.5%/38%
Pouya Mohajer	2700 Las Vegas Blvd. #2709 Las Vegas, NV 89109	21%/21%/25.25%
Shane Terry	4575 Dean Martin Drive #1401 Las Vegas, NV 89103	21%/21%/25.25%
Jennifer Goldstein	200 Hoover Street #1113 Las Vegas, NV 89101	7%*/7%*/7%*
Joe Kennedy	11115 Kilkerran Ct. Las Vegas, NV 89141	1%*/1%*/1%*
John Penders	29 Marshall Terrace Wayland, MA 01778	1.75%*/1.75%*/1.75%
Ryan Winmill	412 Princess Street Alexandria VA 222314	1.75%*/1.75%*/1.75%


\*Nondilutable interests once vested. As if this writing, the Ownership, Voting and Distribution Shares of Goldstein, Kennedy, Winmill and Penders are designated as Nondilutable

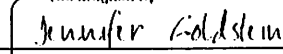
Member Listing as of this 16th day of July, 2014

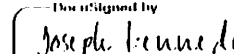
DocuSigned by:  
  
 Member: PEJMAN BADY

DocuSigned by:  
  
 Member: POUYA MOHAJER

DocuSigned by:  
  
 Member: SHANE TERRY

DocuSigned by:  
  
 Member: RYAN WINMILL

DocuSigned by:  
  
 Member: JENNIFER GOLDSTEIN

DocuSigned by:  
  
 Member: JOSEPH KENNEDY

Member: JOHN PENDERS

# NUVEDA, LLC CAPITAL CONTRIBUTIONS

Pursuant to ARTICLE III, the Members' initial contribution to the Company capital is stated to be one million dollars (\$1,000,000.00). The description and each individual portion of this initial contribution is as follows, which amounts shall be allocated to the Capital Accounts for each Member:

Description	Value
Member: PEJ BADY	\$440,000.00
Member: POUYA MOHAJER	\$440,000.00
Member: SHANE TERRY	\$120,000.00

SIGNED AND AGREED this 16th day of July, 2014.

DocuSigned by:  
Pejman Bady  
Member: PEJMAN BADY

DocuSigned by:  
Pouya Mohajer  
Member: POUYA MOHAJER

DocuSigned by:  
Shane Terry  
Member: SHANE TERRY

DocuSigned by:  
Ryan Winmill  
Member: RYAN WINMILL

DocuSigned by:  
Jennifer Goldstein  
Member: JENNIFER GOLDSTEIN

DocuSigned by:  
Joseph Kennedy  
Member: JOSEPH KENNEDY

Member: JOHN PENDERS



empowered and duly authorized to enter into this Agreement (including the power of attorney herein) under every applicable governing document, partnership agreement, trust instrument, pension plan, charter, certificate of incorporation, bylaw provision or the like. The Person, if any, signing this Agreement on behalf of the Member is empowered and duly authorized to do so by the governing document or trust instrument, pension plan, charter, certificate of incorporation, bylaw provision, board of directors or stockholder resolution or the like.

**12.14 Indemnification by Members in Breach.** Each Member hereby agrees to indemnify and defend the Company, the other Members and each of their respective employees, agents, partners, members, shareholders, officers and directors and hold them harmless from and against any and all claims, liabilities, damages, costs and expenses (including, without limitation, court costs and attorneys' fees and expenses) suffered or incurred on account of or arising out of any breach of this Agreement by that Member.

IN WITNESS WHEREOF, this Limited Liability Company Operating Agreement has been duly executed by or on behalf of the parties hereto as of the date first above written.

\_\_\_\_\_  
Member: PEJMAN BADY

\_\_\_\_\_  
Member: JENNIFER GOLDSTEIN

\_\_\_\_\_  
Member: POUYA MOHAJER

\_\_\_\_\_  
Member: JOSEPH KENNEDY

\_\_\_\_\_  
Member: SHANE TERRY

\_\_\_\_\_  
Member: JOHN PENDERS

16 JULY 2014

\_\_\_\_\_  
Member: RYAN WINMILL

NUVEDA, LLC

LISTING OF MEMBERS

NAME:	ADDRESS:	PERCENTAGE INTERESTS VOTING/OWNERSHIP INTERESTS/DISTRIBUTION:
Pejman Bady	PO Box 6255 Pahrump, NV 89041	46.5%/46.5%/38%
Pouya Mohajer	2700 Las Vegas Blvd. #2709 Las Vegas, NV 89109	21%/21%/25.25%
Shane Terry	4575 Dean Martin Drive #1401 Las Vegas, NV 89103	21%/21%/25.25%
Jennifer Goldstein	200 Hoover Street #1113 Las Vegas, NV 89101	7%*/7%*/7%*
Joe Kennedy	11115 Kilkerran Ct. Las Vegas, NV 89141	1%*/1%*/1%*
John Penders	29 Marshall Terrace Wayland, MA 01778	1.75%*/1.75%*/1.75%
Ryan Winmill	412 Princess Street Alexandria VA 222314	1.75%*/1.75%*/1.75%

\*Nondilutable interests once vested. As if this writing, the Ownership, Voting and Distribution Shares of Goldstein, Kennedy, Winmill and Penders are designated as Nondilutable

Member Listing as of this 16 day of JULY, 2014

Member: PEJMAN BADY

Member: JENNIFER GOLDSTEIN

Member: POUYA MOHAJER

Member: JOSEPH KENNEDY

Member: SHANE TERRY

Member: JOHN PENDERS

Member: RYAN WINMILL

Page 23 of 24

**NUVEDA, LLC  
CAPITAL CONTRIBUTIONS**

Pursuant to ARTICLE III, the Members' initial contribution to the Company capital is stated to be one million dollars (\$1,000,000.00). The description and each individual portion of this initial contribution is as follows, which amounts shall be allocated to the Capital Accounts for each Member:

Description	Value
Member: PEJ BADY	\$440,000.00
Member: POUYA MOHAJER	\$440,000.00
Member: SHANE TERRY	\$120,000.00

SIGNED AND AGREED this 16 day of JULY, 2014.

\_\_\_\_\_  
Member: PEJMAN BADY

\_\_\_\_\_  
Member: JENNIFER GOLDSTEIN

\_\_\_\_\_  
Member: POUYA MOHAJER

\_\_\_\_\_  
Member: JOSEPH KENNEDY

\_\_\_\_\_  
Member: SHANE TERRY

\_\_\_\_\_  
Member: JOHN PENDERS

\_\_\_\_\_  
Member: RYAN WINMILL

# EXHIBIT 17

## **Purchase and Sale Agreement for Shane Terry's Ownership Interest in NuVeda and NuVeda-Managed Licenses**

Clark NMSD, LLC ("Clark") is an active Nevada domestic Limited- Liability Company with resident agent Sandy Kindler, 2171 River Plate Drive, Pahrump, Nevada 89048 and is the owner of two Dispensary license(s) issued by the State of Nevada Department of Health and Human Services, Nevada Division of Public and Behavioral Health and the Department of Taxation (along with other government entities and subdivisions, "Nevada") with resident agent Sandy Kindler, 2171 River Plate Drive, Pahrump, Nevada 89048 ("Kindler"). NuVeda, LLC ("NuVeda") is the sole manager of Clark. The Clark Dispensary licenses are identified specifically by the following State of Nevada Establishment numbers: 2502 5985 3578 6823 7824 and 9409 0342 9554 6702 0377.

Clark Natural Medicinal Solutions, LLC ("Clark Natural") is an active Nevada domestic Limited- Liability Company with resident agent Kindler. Clark Natural is the owner one Cultivation license and one Production license issued by the Nevada. NuVeda is the sole manager of Clark Natural. The Clark Natural Cultivation license is identified specifically by the following State of Nevada Establishment number: 6499 5797 7556 7012 2923. The Clark Natural Production license is identified specifically by the following State of Nevada Establishment number: 5447 7437 9374 7929 7460.

Nye Natural Medical Solutions LLC ("Nye") is an active Nevada domestic Limited-Liability Company with resident agent Kindler. Nye is the owner of a Cultivation license and Production license issued by Nevada. NuVeda is the sole manager of Nye. The Nye Cultivation license is identified specifically by the following State of Nevada Establishment number: 4073 3091 6294 5475 1109. The Nye Production license is identified specifically by the following State of Nevada Establishment number: 9160 4693 9161 6650 7699.

Shane Terry ("Seller") is registered with Nevada as the owner of a twenty-one percent (21%) owner in NuVeda, Clark, Clark Natural and Nye (the "Interest"). Seller desires to sell the Interest, as-is, to Brian C. Padgett ("Padgett") or his designee, with no warranties or representations.

BCP 7, LLC ("Buyer") is an active Nevada domestic Limited Liability Company with resident agent Brian C. Padgett, 611 S. 6<sup>th</sup> Street, Las Vegas, Nevada 89101 whose manager is the owner of Dispensary, Cultivation and Production license(s) in Nevada.

Seller hereby agrees to sell the Interest to Buyer and Buyer agrees to purchase the Interest for the following consideration and on the following terms:

**NUVEDA'S APPENDIX 0721**

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ST  
Substantially reduced

**Purchase Price:** Buyer shall acquire Seller's Interest for a total purchase price of \$1.75 million (the "Purchase Price"). The Purchase Price is payable as follows:

**Initial Payment:** \$500,000.00 in good and payable U.S. funds shall be paid to Seller on or before June 15, 2018.

**Monthly Payments:** \$1.25 million (the "Balance") is due on or before June 15, 2028 with payments due monthly until paid in full. Monthly Payments shall be made on or before the first day of the month in an amount not less than the interest accrued on the outstanding balance at an interest rate of 18%. Monthly Payments shall commence May 1, 2018; however, the first payment shall be paid no later than May 3, 2018.

**Prepayment:** There shall be no prepayment penalty charged to Buyer if he elects to pay off the Balance, together with any accrued interest thereon, after the first year of Monthly Payments.

**Acceleration:** There shall be acceleration of the outstanding Balance and any unpaid interest accrued thereon upon 1) sale or transfer of the Interest to a vehicle not owned by Buyer, or any beneficial rights thereunder, from Buyer to a third party (other than CWNV, LLC); or 2) a default of a payment obligations, which shall result from any failure to timely pay the Initial Down Payment or any Monthly Payments on the Balance following notice of failure emailed to Padgett and no cure within 10 business days thereof.

Until otherwise directed in writing to Padgett, delivery of the funds shall be delivered to Shane Terry, c/o Erika Pike Turner, Garman Turner Gordon LLP, 650 White Drive, Suite 100, Las Vegas, Nevada.

#### Litigation, Releases and Cooperation:

Buyer acknowledges that there are adverse claims to the Interest, which are the subject of litigation pending in American Arbitration Association Case No. 01-15-0005-8574 (the "NuVeda Arbitration") and District Court Case No. A-15-728510-B (the "District Court Case").

Upon execution of this Agreement and receipt of the first Monthly Payment:  
1) Seller shall take any and all action necessary to affirmatively release any Temporary Restraining Order or Preliminary Injunction preventing transfer of the Interest to Buyer or CWNV, LLC and Seller shall take affirmative action to support CW Nevada, LLC's withdrawal of the pending evidentiary hearing in the District Court Case, and 2) Seller shall assign any and all claims and rights in the NuVeda

2 of 5  
ST



Arbitration and District Court Case to Buyer.

Other than the obligations outlined herein, Buyer and Seller agree to full mutual releases for any claims, rights or demands on behalf of themselves and their affiliates and further agree to cooperate with one another to effectuate the parties' intention to have Buyer step in the shoes of Seller for all purposes relating to the Interest and be free and clear of adverse claims related thereto. Inclusive, Buyer agrees to secure the full release of Terry from the claims asserted against him in the 4Front litigation pending at American Arbitration Association Case No. 01-17-0002-9611. Further, upon execution of this Purchase Agreement, Seller agrees that he shall not pursue any allegations or claims he has made that CW Nevada, LLC has breached the terms of its Membership Interest Purchase Agreement made with NuVeda. Seller shall also cooperate with CW Nevada, LLC in its defense of such claims at the sole cost and expense of Buyer.

Transfer: Following execution of this Agreement and receipt of the first Monthly Payment, Seller agrees to sign any and all documents provided to him by Buyer that are necessary to support the transfer of the Interest to Buyer. Until Seller receives the Initial Payment, these signed documents shall be held by attorney Amanda Connor. Upon Seller receiving the Initial Payment, the documents shall be released to Buyer. Thereafter, Seller shall sign any and all further documents as needed to process the transfer of the Interest to Buyer.

Other than Seller executing documents provided by Buyer and providing reasonable cooperation related thereto, Buyer is solely responsible for obtaining approvals of the transfer of Interest to Buyer. Further, Buyer is solely responsible for consequences to NuVeda, CWNV, LLC or others claiming rights in the Interest, and Buyer agrees to indemnify Seller and hold him harmless for any related adverse action.

If Interest relating to Clark is transferred to CWNV, LLC as a result of pending applications prior to the Initial Payment to Seller, this does not affect Buyer's obligation to make the Initial Payment or otherwise perform under this Agreement.

Guaranty: Padgett agrees to personally guaranty all payment and other performance obligations due to Seller herein.

The Parties hereto acknowledge their intent and agreement to use all reasonable means to resolve any dispute over interpretation or enforcement of the parties' duties and obligations as articulated in this Purchase and Sale Agreement. In the event any material dispute cannot be resolved informally the parties shall litigate the issue(s) in the business court of Clark County, State of Nevada in the Eighth Judicial District. Nevada Law governs any dispute, and attorneys' fees and costs 3.45

shall be awarded to the prevailing party.

The Parties acknowledge that there is no other agreement and no other term incorporated into this Purchase and Sale Agreement other than what is expressed herein.

Dated this 30<sup>th</sup> day April, 2018

BUYER:

BCP 7, LLC

By its Manager:



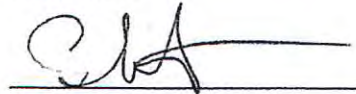
Name:

GUARANTOR:



Brian C. Padgett

SELLER:



Shane Terry

4 of 5



**ADDENDUM #1 TO Purchase and Sale Agreement for Shane Terry's  
Ownership Interest in NuVeda and NuVeda-Managed Licenses**

1. All capitalized terms are as defined in the above-referenced Agreement. No terms of the Agreement are amended, save and except that: Buyer and Guarantor stipulate to Seller's allocation of the Purchase Price to \$1,350,000 for the purchase of the Interest and \$400,000 for the value of the releases provided by Buyer and Guarantor.

*Purchase price is substantially reduced*

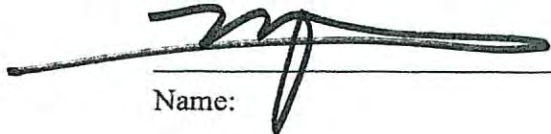
*YJP*

Dated this 30<sup>th</sup> day April, 2018

BUYER:

BCP 7, LLC

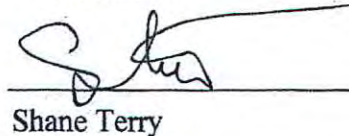
By its Manager:

  
Name:

GUARANTOR:

  
Brian C. Padgett

SELLER:

  
Shane Terry

*5 of 6*  
*g*

Assignment of Interests

Pursuant to the terms of that certain agreement between Shane Terry and BCP 7, LLC dated April 30, 2018, Mr. Terry hereby assigns all claims alleged in AAA Case No. 01-15-0005-8574 (the "Case") to BCP 7, LLC with Brian Padgett as its resident agent. The effective date of such assignment is May 2, 2018.

As set forth in the arbitration demand on file in the Case, Shane Terry was purportedly expelled as a member of NuVeda, LLC under Section 6.2 of the NuVeda, LLC Operating Agreement on March 10, 2016. Section 6.2 of the NuVeda, LLC Operating Agreement expressly contemplates a member's successor-in-interest being entitled to receive from NuVeda, LLC in exchange for all of the member's former interest the value of that terminated interest. In addition, Mr. Terry has alleged claims for damages against NuVeda, LLC, Pej Bady and Pouya Mohajer for breach of the Operating Agreement, including Sect. 6.2, as well as breach of the implied covenant of good faith and fair dealing, breach of fiduciary duty and intentional and/or negligent misrepresentations. These claims are being assigned as-is with no warranties as whether they are legally assignable or otherwise viable as a matter of fact or law.

Assignor

Assignee

Shane Terry

BCP 7, LLC


By: \_\_\_\_\_

5/2/18

# EXHIBIT 18

NUVEDA'S APPENDIX 0727

Subject: RE: Terry et al. v. NuVeda et al.- Arbitration Case No. A-15-728510-B

 **Erika Turner** <eturner@gtg.legal>

Fri, May 4, 2018, 10:58 AM

to Nikki Baker, AAA Lance Tanaka, Anna Diallo, Julia Melnar, Matthew Dushoff, Kristina R. Cole, Scott D. Fleming,

You are viewing an attached message. Law Office of Mitchell Stipp Mail can't verify the authenticity of attached messages.

Arbitrator Baker,

On behalf of Shane Terry:

1. Motion to Substitute.

Please be advised that Mr. Terry has sold all of his rights and interests relative to NuVeda, LLC to third party BCP 7, LLC, resident agent Brian C. Padgett, 611 S. 6<sup>th</sup> Street, Las Vegas, NV, 89101 (“Buyer”). Inclusive in those rights and interests sold to the Buyer is an assignment of those claims alleged herein. The written agreement reflecting Mr. Terry’s agreement with Buyer will be sent to you under separate cover for *in camera* review.

Under NRCP 25(c), in case of any transfer of interest, the person to whom the interest is transferred may be properly substituted in the action. Substitution of parties here is appropriate so that Mr. Terry’s claims may be prosecuted in the name of the new real party in interest- Buyer. See NRCP 17(a) (providing that every action SHALL be prosecuted in the name of the real party in interest). The “real party in interest” is the person who has a right to enforce the claim and who has a significant interest in the litigation. See *Arguello v. Sunset Station, Inc.*, 252 P.3d 206, 208 (Nev. 2011); *Painter v. Anderson*, 620 P.2d 1254, 1255-56 (Nev. 1980). Generally, the assignee of a contractual right is the real party in interest as opposed to the assignor. *Easton Bus. Opportunities, Inc. v. Town Exec. Suites-E Marketplace, LLC*, 230 P.3d 827, 831-32 (Nev. 2010); *First Interstate Bank of Cal. V. HCT, Inc.*, 828 P.2d 405, 408 (Nev. 1992).

Here, there should be no impediment to the requested substitution of Buyer for Mr. Terry, as Buyer now has the sole right to prosecute claims pendent to Mr. Terry’s rights and interests relative to NuVeda and make decisions relative thereto, pursuant to Buyer/Mr. Terry’s voluntary agreement wherein Mr. Terry agreed to assign all rights and interests relative to NuVeda, LLC to Buyer, including the pendent claims. Further, Respondents have repeatedly argued that Mr. Terry has no rights under the Operating Agreement that survive his termination on March 10, 2016; thus, Respondents should be judicially estopped from making a contrary argument now.

2. Motion to Withdraw.

Upon substitution of Buyer as real-party-in-interest, I move to withdraw as counsel in this matter for all purposes. Buyer’s counsel, Amy Sudgen, Esq., is cc’d on this email.

Thank you,

Erika

**Erika Pike Turner**  
Partner

GARMAN | TURNER | GORDON

P 725 777 3000 | D 725 244 4573  
E eturner@gtg.legal

# EXHIBIT 19

NUVEDA'S APPENDIX 0729

From: **Brian Padgett** brian@briancpadgett.com  
Subject: Terry/NuVeda case number 01-15-0005-8574  
Date: June 5, 2018 at 7:41 PM

BP

To: nbaker@petersonbaker.com

Cc: pejman bady pbady@me.com, Pouya Mohajer pouyamohajer@gmail.com, Joseph Kennedy joe90275@gmail.com, Matthew T. Dushoff mdushoff@klnevada.com, Jason Wiley jwiley@wileypetersenlaw.com, Amy Sugden amy@briancpadgett.com

Dear Arbitrator Baker:

I hereby dismiss all claims of myself, CWNevada, BCP Holdings 7, LLC and Shane Terry (all right, title and interest) against Bady, Mohajer, and NuVeda and its subsidiaries (Clark NMSD, Clark Natural Medicinal Solutions, and Nye Natural Medicinal Solutions) with prejudice.

Please initiate necessary proceedings to dismiss my claims.

Ms. Sugden shall oversee the process and may sign on my behalf any necessary paperwork.

**Brian C. Padgett**

Law Offices of Brian C. Padgett  
611 South 6th Street  
Las Vegas, Nevada 89101  
(702) 304-0123  
[www.briancpadgett.com](http://www.briancpadgett.com)



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# EXHIBIT 20

Subject: RE: BCP 7



Nikki Baker <nbaker@petersonbaker.com> Tue, Oct 9, 2018, 9:59 AM

to Jason Wiley, David Feuerstein, Matthew T. Dushoff, AAA Lance Tanaka, Amy Sugden, Kristina R. Cole, Scott D.

You are viewing an attached message. Law Office of Mitchell Stipp Mail can't verify the authenticity of attached messages.

Counsel:

Based on the below email string and my orders regarding Ms. Goldstein’s request for discovery, BCP Holding 7, LLC is hereby DISMISSED from this arbitration.

Mr. Tanaka, BCP Holding 7, LLC may be removed from the caption.

Additionally, based on the below emails, I will extend the time for the parties to provide to me proposed new deadlines related to a new arbitration hearing date to **5:00 p.m. PST on Monday, October 15**. Absent exceptional circumstances, which do not include ongoing settlement discussions, this deadline will not be extended again.

Thank you,

Nikki

**Nikki Baker, Esq.**  
Peterson Baker, PLLC  
702.786.1001

**From:** Jason Wiley <jwiley@wileypetersenlaw.com>  
**Sent:** Tuesday, October 09, 2018 8:52 AM  
**To:** 'David Feuerstein' <david@dfmklaw.com>; Nikki Baker <nbaker@petersonbaker.com>; 'Matthew T. Dushoff' <mdushoff@knevada.com>; 'AAA Lance Tanaka' <LanceTanaka@adr.org>  
**Cc:** "Amy Sugden" <amy@briancpadgett.com>; 'Kristina R. Cole' <kcole@knevada.com>; 'Scott D. Fleming' <sfleming@knevada.com>  
**Subject:** RE: BCP 7

Arbitrator Baker:

I can confirm Mr. Feuerstein’s comments regarding the parties’ negotiations and ongoing efforts to schedule arbitration dates and other deadlines.

JMW

**Jason M. Wiley, Esq.**  
**Partner**



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**From:** David Feuerstein <david@dfmklaw.com>  
**Sent:** Monday, October 8, 2018 2:39 PM  
**To:** Nikki Baker <nbaker@petersonbaker.com>; Jason Wiley <jwiley@wileypetersenlaw.com>; 'Matthew T. Dushoff' <mdushoff@knevada.com>; 'AAA Lance Tanaka' <LanceTanaka@adr.org>

NOVEDA'S APPENDIX 0732  
NuVeda's Exhibits in Support of Motion Page 284 of 316





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October 9, 2018

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Case Number: 01-15-0005-8574

Pouya Mohajer and Pejman Bady;  
-vs-  
Jennifer Goldstein  
-vs-  
Nuveda, LLC

Dear Parties:

This will confirm that BCP 7, LLC has been dismissed as a party in this matter, in accordance with the Arbitrator's Ruling of October 9, 2018. Counsel for BCP 7, LLC is copied on this letter however they have been removed from the case and will no longer receive correspondence concerning this matter.

Sincerely,

/s/

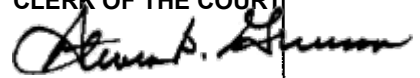
Lance K Tanaka  
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cc: Amy Sudgen  
Kristina Cole  
Brian C. Padgett  
Anne M. Landis  
Scott Fleming, Esq.  
Nikki Baker, Esq.

It/bs

## NUVEDA'S APPENDIX 0733

# EXHIBIT 21



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L. Joe Coppedge  
Nevada Bar No. 4954  
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*Contingency Counsel for  
Dotan Y. Melech, Receiver*

**DISTRICT COURT**

**CLARK COUNTY, NEVADA**

NUVEDA, LLC, a Nevada limited liability  
company; CLARK NMSD, LLC, a Nevada  
limited liability company; and NYE NATURAL  
MEDICINAL SOLUTIONS, LLC, a Nevada  
limited liability company,

Plaintiffs,

v.

CWNEVADA, LLC, a Nevada limited liability  
company; CWNV, LLC, a Nevada limited  
liability company; BRIAN C. PADGETT, a  
Nevada resident; DOES I to X, inclusive; and  
ROES I to X, inclusive,

Defendants.

Case No.: A-19-791405-C  
Department 1

Hearing Date: August 13, 2020  
Hearing Time: In Chambers

**OPPOSITION TO MOTION FOR PRELIMINARY INJUNCTION PREVENTING THE  
LIQUIDATION OF CWNEVADA PENDING TRIAL**

Dotan Y. Melech, as the Court Appointed Receiver of CWNevada, LLC, by and through  
his counsel, submits this Opposition to the Motion for Preliminary Injunction Preventing the  
Liquidation of CWNevada Pending Trial.

This Opposition is made and based upon the following memorandum of points and  
authorities, the Declaration of Dotan Y. Melech attached hereto as Exhibit 1, the pleadings and

1 papers on file herein, and any argument this Court might entertain at a hearing of the Motion.

## 2 MEMORANDUM OF POINTS AND AUTHORITIES

### 3 I. Statement of Facts

4 1. Dotan Y. Melech is the Court-appointed receiver over CWNevada, LLC  
5 (“CWNevada”) in the matter *NuVeda, LLC and CWNevada, LLC v. 4Front Advisors LLC*,  
6 Eighth Judicial District Court, Clark County, Nevada, Case No. A-17-755479-C (the  
7 “Receivership Action”).

8 2. On June 13, 2019, Mr. Melech was appointed as Receiver over CWNevada in the  
9 Eighth Judicial District Court case number A-18-773230-B, *Cima Group LLC v. CWNevada*  
10 (the “Cima Case”) pursuant to the Order Appointing Temporary Receiver and Temporary  
11 Restraining Order entered in the Cima Case (“Temporary Receiver Order”) to preserve and if  
12 possible maximize the value of CWNevada’s assets (the “Receivership Estate”) for the benefit  
13 of and distribution to CWNevada’s creditors.

14 3. Mr. Melech was also appointed as receiver over CWNevada in Eighth Judicial  
15 District Court case number A-17-755479-B (the “Receivership Action”) by stipulation in open  
16 court on June 14, 2019 and the subsequent orders of the Court presiding over the Receivership  
17 Action (“Receivership Court”) entered on June 26, 2019 (“Interim Receivership Order”) and  
18 July 10, 2019 (“Current Receivership Order”).

19 4. A true and correct copy of the Current Receivership Order is attached to this  
20 Opposition as Exhibit 2.

21 5. The Receivership Order provides in part:

22 This Court hereby asserts exclusive jurisdiction and takes exclusive  
23 possession of all assets and property owned by, controlled by, or in the  
24 name of CWNevada, including all assets, rights, contracts, monies,  
25 securities, inventory, real property, personal property, tangible property  
26 and intangible property, of whatever kind and description and wherever  
27 situated, including but not limited to the following Nevada marijuana  
28 establishment licenses and the businesses and property associated  
therewith: 8926 2643 4085 3963 7228; 0918 7693 7133 1267 8064; 1376  
1794 0956 7505 0382; 39089 4981 6157 3630 3651; and 4358 1723 6737  
5350 5053, as well as domain names, website and content, cloud-based  
storage accounts, all social media accounts and email record hosted by  
CWNevada and any third parties (all assets are, collectively, the

1 "Receivership Estate").

2 See Receivership Order at §1, 2:9-19.

3 6. The Receivership Order expressly authorizes the Receiver to "liquidate any and  
4 all assets of CWNevada." Receivership Order at § 6, 4:17-21.

5 7. Recently, as Receiver, Mr. Melech negotiated a settlement with the Nevada  
6 Department of Taxation (the "Department") to resolve the disciplinary action pending against  
7 CWNevada.

8 8. Under the terms of the settlement with the Department, CWNevada's eight (8)  
9 most valuable licenses/certificates were preserved while its six (6) least valuable  
10 licenses/certificates will be revoked.

11 9. Under the terms of the settlement with the Department, the Receiver is required  
12 to use his best efforts to sell CWNevada's eight (8) unrevoked licenses/certificates within six  
13 (6) months of the effective date of the settlement.

14 10. The effective date is the date the settlement is approved by the Board of  
15 Taxation.

16 11. The licenses/certificates at issue in the settlement with the Department have  
17 nothing to do with the joint venture between CWNevada and NuVeda.

18 12. In addition to being required to sell CWNevada's eight (8) unrevoked  
19 licenses/certificates within six (6) months, CWNevada will also be required to pay civil  
20 penalties in the amount of \$1,250,000.00

21 13. The terms of the settlement with the Department require approval of the Court in  
22 the Receivership Action and the Board of Taxation.

23 14. Over the objection of NuVeda, on or about July 10, 2020, the District Court in  
24 the Receivership Action entered its Order Granting Receiver's Motion to Approve Good Faith  
25 Settlement with Department of Taxation on Order Shortening Time.

26 15. The Board of Taxation is scheduled to consider the settlement for approval at a  
27 meeting scheduled for July 21, 2020.

28 16. As noted above, the licenses/certificates at issue in the settlement with the

1 Department have nothing to do with the joint venture between CWNevada and NuVeda. That  
2 joint venture arises out of a Membership Interest Purchase Agreement.

3 17. NuVeda as "Transferor" along with Clark NMSD and Nye Natural and  
4 CWNevada as "Transferee" and CWNV, LLC, a to be formed Nevada limited liability company  
5 entered into a Membership Interest Purchase Agreement (the "MIPA") effective as of December  
6 6, 2015. See MIPA attached to the Opposition as Exhibit 3.

7 18. Among other things, the MIPA provides:

8 a. NuVeda owned one hundred percent (100%) of the membership interest  
9 in Clark NMSD.

10 b. NuVeda owned one hundred percent (100%) of Nye Natural, subject to  
11 certain disclosures.

12 c. Clark NMSD had been issued certain provisional Medical Marijuana  
13 Establishment Certificates, identified as Application Identifier No. D186, Reference  
14 #25025985357868237824 for the dispensing of medical marijuana at a dispensary  
15 located at 1320 S. 3rd Street, Las Vegas, Nevada (the "Downtown Dispensary") and as  
16 Application Identifier No. 187, Reference # 94090342955467020377 for the dispensing  
17 of medical marijuana at a dispensary located at 2113 N. Las Vegas Blvd., North Las  
18 Vegas, Nevada (the "North Las Vegas Dispensary").

19 d. Nye Natural had been issued certain provisional Medical Marijuana  
20 Establishment Certificates, identified as Application Identifier No. C166, Reference #  
21 40733091629454751109 for the cultivation of medical marijuana at a cultivation facility  
22 at 2801 E. Thousandaire Blvd., Pahrump, Nevada and as Application Identifier No.  
23 P107, Reference # 91604693916166507699 for the production of medical marijuana  
24 products at a production facility located at the C&P Property.

25 e. Subject to the terms of the MIPA, CWNevada as Transferee agreed to  
26 purchase and NuVeda as Transferor agreed to sell 100% of the membership interests  
27 owned by NuVeda in Clark Natural NMSD and Nye Natural.

28 f. CWNevada agreed to cause to be formed a new manager-managed

1 Nevada limited liability company defined as “CWNV”.

2 g. Upon the formation of CWNV, CWNV was to be owned as follows: (i)  
3 thirty-five (35%) of the issued and outstanding membership interest in CWNV shall be  
4 issued and owned by NuVeda; and (ii) sixty-five (65%) of the issued and outstanding  
5 membership interests in CWNV shall be issued and owned by CWNevada.

6 19. On or about January 21, 2016, CWNevada and NuVeda caused CWNV to be  
7 formed.

8 20. CWNV was formed as a joint venture between CWNevada and NuVeda to raise  
9 money to build and operate the Downtown Dispensary located at 1324 S. 3rd Street, Las Vegas,  
10 Nevada and the North Las Vegas Dispensary located at 2113 N. Las Vegas Blvd., North Las  
11 Vegas, Nevada.

12 21. On or about March 22, 2016, CWNevada and NuVeda entered into an Operating  
13 Agreement of CWNV, LLC (the “CWNV Operating Agreement”). See CWNV Operating  
14 Agreement attached to the Opposition as Exhibit 4.

15 22. As set forth in the CWNV Operating Agreement, the initial members of CWNV  
16 were CWNevada and NuVeda.

17 23. The initial managers of CWNV were Brian Padgett, Pejman Bady and Jason  
18 Thompson.

19 24. The CWNV Operating Agreement listed CWNevada’s membership interest as  
20 65% and NuVeda’s membership interest as 35%.

21 25. The CWNV Operating Agreement identified CWNevada’s capital contribution  
22 as “Full Construction Funding, Goods, Services, and Specified Debt Service.”

23 26. Upon information and belief, CWNevada invested at least two million dollars  
24 into CWNV to provide construction funding to build the Downtown Dispensary and the North  
25 Las Vegas Dispensary.

26 27. The Downtown Dispensary opened in or about December 2016 and the North  
27 Las Vegas Dispensary opened in or about January 2017 as a result of CWNevada’s construction  
28 funding.

1           28.     The CWNV Operating Agreement identified NuVeda's capital contribution as  
2 "Medical Marijuana Licenses as referenced in the [MIPA]."

3           29.     On or about April 17, 2018, Nye Natural and Clark NMSD entered into a First  
4 Purchase and Sale Agreement for Remaining 35% of Clark and Nye Licenses (the "First  
5 Purchase Agreement"). See First Purchase Agreement attached to the Opposition as Exhibit 5.

6           30.     The First Purchase Agreement provided, among other things, that in exchange  
7 for NuVeda selling the remaining 35% of its interest in CWNV to CWNevada, CWNevada  
8 would increase the consideration paid to NuVeda from that contemplated under the MIPA to a  
9 to a total monthly payment of 2.625% of the gross sales of CWNevada, subject to a minimum  
10 payment of \$235,870.00 per month.

11          31.     The Parties to the First Purchase Agreement "acknowledge[d] that the joint  
12 application for the transfer of ownership of the NuVeda Licenses to CWNV must be submitted  
13 to the State of Nevada, Department of Taxation immediately for review and approval and the  
14 Parties further acknowledge that the intent of the [First Purchase Agreement was] to effectuate a  
15 100% ownership of the NuVeda Licenses in [CWNV] and NuVeda owners shall then remove  
16 themselves as listed owners of record on these licenses. If the transfer of the NuVeda Licenses  
17 to CWNV is not completed within 45 days of submittal, payment to NuVeda shall be held in  
18 abeyance until the NuVeda Licenses transfer to CWNV ownership."

19          32.     CWNevada, NuVeda, Nye Natural and Clark NMSD entered into an Amendment  
20 to Membership Interest Purchase Agreement (the "MIPA Amendment") dated July 2, 2018. See  
21 MIPA Amendment attached to the Opposition as Exhibit 6.

22          33.     The MIPA Amendment provides in part that the licenses identified in the MIPA  
23 are to be transferred to a new manager-managed Nevada limited liability company defined as  
24 CWNV1 in place of CWNV as originally designated.

25          34.     All references to CWNV in the MIPA were replaced and substituted with  
26 CWNV1.

27          35.     The MIPA Amendment further provided that the parties agreed the Production  
28 license, Reference # 91604693916166507699 would remain with Nye Natural.



1           36.     On or about July 3, 2018, Amanda Connor, purportedly writing on behalf of  
2 Clark NMSD, Nye Natural and CWNevada, submitted a request to a transfer of ownership  
3 request with regards to the interest in the licenses with application IDs C166, D186 and D187 to  
4 the State of Nevada. See correspondence dated July 3, 2018 attached to the Opposition as  
5 Exhibit 7.

6           37.     However, it does not appear that this transfer of ownership request was ever  
7 processed.

8           38.     Then, on July 5, 2018, Clark NMSD, Nye Natural, Percelt, LLC ("Percelt") and  
9 CWNevada entered into a second Purchase and Sale Agreement for Remaining 35% of Clark  
10 and Nye Licenses (the "Second Purchase Agreement"). See Second Purchase Agreement  
11 attached to the Opposition as Exhibit 8.

12           39.     The Second Purchase Agreement is substantively similar to the First Purchase  
13 Agreement with the notable exception that payments are to be made to Percelt and CWNV1 is  
14 substituted for CWNV.

15           40.     The Second Purchase Agreement provides in part that in exchange for NuVeda  
16 selling the remaining 35% of its interest in CWNV1 to CWNevada, CWNevada would increase  
17 the consideration paid to Percelt from that contemplated under the MIPA to a to a total monthly  
18 payment of 2.625% of the gross sales of CWNevada, subject to a minimum payment of  
19 \$235,870.00 per month.

20           41.     The Parties to the Second Purchase Agreement "acknowledge[d] that the joint  
21 application for the transfer of ownership of the NuVeda Licenses to CWNV1 must be submitted  
22 to the State of Nevada, Department of Taxation immediately for review and approval and the  
23 Parties further acknowledge that the intent of the [First Purchase Agreement was] to effectuate a  
24 100 percent ownership of the NuVeda Licenses in [CWNV1] and NuVeda owners shall then  
25 remove themselves as listed owners of record on these licenses. If the transfer of the NuVeda  
26 Licenses to CWNV is not completed within 45 days of submittal, payment to Percelt shall be  
27 held in abeyance until the NuVeda Licenses transfer to CWNV1 ownership."

28           42.     Also on or about July 5, 2018, CWNevada, NuVeda, Nye Natural, Clark NMSD,

1 CWNV1, Percelt, LLC (“Percelt”) and 2113 Investors, LLC (“2113 Investors”) entered into an  
2 Addendum to Purchases and Sale Agreement for the Remaining 35 Percent of the Clark and  
3 Nye Licenses (“April 17, 2018 Agreement”) (the “July 5, 2018 Addendum”). See July 5, 2018  
4 Addendum attached to the Opposition as Exhibit 9.

5 43. The July 5, 2018 Addendum provides, among other things, that the MIPA  
6 contemplated the transfer of 100% of Nye Natural to CWNV1. Subsequently, the parties agreed  
7 that the Nye Natural Production license, Reference # 91604693916166507699 would remain  
8 with Nye Natural.

9 44. The joint venture between CWNevada and NuVeda remained intact until an  
10 arbitration award was entered in favor of 4Front Advisor’s LLC (“4Front”) on or about  
11 November 27, 2018 against CWNevada in the sum of \$4,987,092.09 and against NuVeda in the  
12 sum of \$3,741,803.92.

13 45. The 4Front arbitration award was confirmed as a final judgment on or about  
14 March 14, 2019. See Order Granting Defendant’s Motion to Confirm Arbitration Award and  
15 Request to Enter Judgment-and- Final Judgment attached to the Opposition as Exhibit 10.

16 46. During the arbitration with 4Front, CWNevada and NuVeda entered into a  
17 Stipulation of Uncontested Facts dated November 2, 2018 (the “Stipulation”) with 4Front,  
18 which among other things, provided that “[t]he Membership Interest Purchase Agreement  
19 (“MIPA”<sup>0</sup> [J-249] was executed on December 6, 2015” and “is still in effect.” See Stipulation  
20 of Uncontested Facts attached to the Opposition as Exhibit 11.

21 47. The Stipulation further provided that neither NuVeda nor CWNevada had  
22 “breached the MIPA.”

23 48. Following the entry of the Final Judgment in favor of 4Front, Bady, Mohajer and  
24 Kennedy, individually and at times through NuVeda or other entities, engaged in fraudulent acts  
25 of self-dealing and other acts of misconduct that constituted a breach of their legal duties.

26 49. On April 2, 2019, Bady, Kennedy and Mohajer commenced a lawsuit against  
27 NuVeda and entered a confession of judgment for \$1,114,257.12 to their individual benefit  
28 against NuVeda without opposition.

1           50.     Bady, acting without authority and contrary to the provisions of the CWNV  
2 Operating Agreement, purportedly dissolved CWNV on or about May 17, 2019.

3           51.     However, at the time of the purported dissolution, Bady was not and had not  
4 been a manager of CWNV since February 7, 2018.

5           52.     Further, the CWNV Operating Agreement provides in part that “[t]he Company  
6 shall be dissolved upon the occurrence of the following events ... (ii) By the unanimous written  
7 agreement of all Member ...”

8           53.     CWNebraska did not enter any written agreement for the dissolution of CWNV.

9           54.     Since the purported dissolution, Bady and NuVeda has represented that NuVeda  
10 is serving in the role as trustee over CWNV, the entity it now seeks to sue.

11          55.     In that self-appointed role, NuVeda and Bady have breached the terms of the  
12 CWNV Operating Agreement by, among other things,

13           a.     Acting in the role of the Manager of CWNV without authority;

14           b.     Failing to obtain and provide an accounting made by CWNV’s  
15 independent accountants of the CWNV’s accounts, assets, liabilities and operations;

16           c.     Failing to allocate any profit or loss resulting from any sale of CWNV’s  
17 assets to the Members;

18           d.     Failing to discharge the liabilities of CWNV; and

19           e.     If assets or funds remain after discharging all liabilities, failing to  
20 distribute such assets and funds to the Members and/or Economic Interest Owners.

21          56.     Upon information and belief, CWNV1 has also been dissolved.

22          57.     Upon information and belief, Kennedy commingled CWNV funds with those of  
23 his own companies, including Blakely Environmental, Panda Trading Inc. , Glad 2B Home  
24 LLC, Joval LLC, NV Industrial LLC, 2113 Investors LLC, and FM1788 LLC, and has failed,  
25 despite request, to properly account for the CWNV funds.

26          58.     In addition, on or about March 17, 2016, CWNebraska entered into the 301 Oxbow  
27 Avenue, Unit 14, Pahrump, Nevada 89048 Lease (the “Oxbow Lease”) with the Eugene &  
28 Nelda Fay Toy Trust as landlord for Oxbow Unit 14. See Oxbow Lease attached to the

1 Opposition as Exhibit 12.

2 59. On June 28, 2017, Nye County issued its administrative approval of a  
3 "Recreational Marijuana Establishment License" to CWNevada for production at Oxbow Unit  
4 14.

5 60. On June 13, 2019, the Temporary Receiver Order was entered, which provided,  
6 among other things in paragraph 20 that, "[n]o landlord or lessor may terminate any lease or  
7 commence or continue any eviction related to actions connected with the Receivership Estate  
8 without prior order of this Court."

9 61. Later that same day, Nye Natural represented itself to be CWNevada's landlord,  
10 and in violation of the Temporary Receiver Order, caused an eviction order to be issued against  
11 CWNevada.

12 62. Subsequently, on or about June 18, 2019, NuVeda's office manager, Sandy  
13 Kindler, acting at the direction of Bady, further violated the Temporary Receiver Order by  
14 having a locksmith change the locks to CWNevada's Oxbow Unit 14.

15 63. Later that same day, the Receiver was provided only limited and supervised  
16 access to Oxbow Unit 14.

17 64. The Receiver's agents were permitted to take photographs of the unit but were  
18 not allowed to remove anything. It appeared as if computers and a server had already been  
19 removed.

20 65. Since allowing the inspection, NuVeda has continued to lock the Receiver from  
21 Oxbow Unit 14 in violation of the Temporary Receivership Order.

22 66. In further violation of the Temporary Receivership Order, Bady and NuVeda  
23 have continued to misrepresent that the Oxbow Lease was with Nye Natural and that  
24 CWNevada was evicted from the property.

25 67. The Receiver has been advised that individuals involved in Clark Natural and  
26 Clark NMSD claim an ownership interest in those licenses and that Bady and NuVeda are now  
27 minority partners.

28 68. The Receiver has been advised that NuVeda has agreed to sell marijuana licenses

1 to undisclosed third parties, including the licenses that were to be transferred to CWNV (D186,  
2 D187, and C166).

3 69. The Receiver has been advised that Members of Urban Leaf from San Diego  
4 have purportedly invested millions of dollars into NuVeda in exchange for operational control  
5 of the dispensaries, although a significant amount of that funding was purported to settle  
6 NuVeda's judgment owed to 4Front Advisors.

7 70. Upon information and belief, the interest in the cultivation and production  
8 licenses owned by Clark Natural have been all or in part sold to other investors associated with  
9 Solaris Farms and their associates.

10 71. Upon information and belief, during the original purchase of NuVeda's North  
11 Las Vegas dispensary on 2113 N Las Vegas Blvd, NuVeda had entered a purchase agreement  
12 with the City of North Las Vegas to acquire the property.

13 72. Upon information and belief, Goldstein, then a member and NuVeda's general  
14 counsel, was working with the City to finalize the purchase when Bady provided Mohajer  
15 signing authority to usurp the opportunity from NuVeda and purchase the property under an  
16 entity owned by himself and Kennedy named 2113 Investors LLC (the "2113 Investors").

17 73. Upon information and belief, this transaction was not disclosed or approved by  
18 NuVeda members.

19 74. Upon information and belief, subsequently the 2113 Investors acquired  
20 NuVeda's 3rd St property in City of Las Vegas, and Bady unilaterally began to negotiate lease  
21 terms directly with Kennedy, his partner in 2113 Investors and at the time an unvested member  
22 in NuVeda.

23 75. Upon information and belief, existing NuVeda members as well as another  
24 attorney who was hired as the Director of Operations raised major issues about the lease terms  
25 that enriched 2113 Investors at the detriment of NuVeda.

26 76. Upon information and belief, Bady attempted to force NuVeda members to vote  
27 on a security pledge that was specifically prohibited by the State, and if enacted would have  
28 given Bady and Kennedy control over NuVeda's licenses.

1           77.     Upon information and belief, when Bady's actions of self-dealing were raised by  
2 NuVeda members, he claimed to divest himself of any interest in 2113 Investors, removed  
3 himself as an owner on the Nevada Secretary of State website and continued to negotiate the  
4 leases with Kennedy claiming he was no longer an interested party.

5           78.     However, upon information and belief, during the Arbitration, it was revealed  
6 that Bady had misrepresented his ownership interest, and without disclosing it to NuVeda  
7 members, had secretly executed a repurchase agreement that allowed him to repurchase 50% of  
8 2113 Investors for \$0.01.

9           79.     Upon information and belief, on or about March 27, 2019, NuVeda entered a  
10 Confession of judgement in the amount of \$1,462,3000 in favor of 2113 Investors in Eighth  
11 Judicial District Court case number A-15-727383-C related to a Settlement and Reorganization  
12 Agreement dated February 16, 2018, which references: (a) the formation of CWNV; a  
13 settlement between NuVeda and 2113 Investors dated March 7, 2016; and (c) NuVeda entering  
14 into a promissory note in favor of the 2113 Investors to be secured by NuVeda's interest in  
15 CWNV.

16           80.     Based upon information and belief, the March 7, 2016 settlement with 2113  
17 Investors arose out of 2113 Investors' requirement to get insurance on the building for  
18 NuVeda's 3rd Street dispensary per the lease agreement (that Bady negotiated with Kennedy),  
19 but 2113 Investors failed to have it in place when the building collapsed, so 2113 Investors  
20 threatened NuVeda with a claim.

21           81.     Upon information and belief, the building was rebuilt by CWNevada, so NuVeda  
22 (or 2113 Investors) never paid for the construction yet still benefited.

23           82.     Upon information and belief, the 2113 Investors filed a claim against NuVeda  
24 for the loss of rent and damages (even though the building was rebuilt using CW Nevada funds,  
25 which most likely increased property value).

1 **II. Argument**

2 **A. Legal Standard**

3 The legal standard for granting injunctive relief is well established in Nevada. NRS  
4 33.010 provides:

5 Cases in which injunction may be granted. An injunction may be  
6 granted in the following cases:

7 1. When it shall appear by the complaint that the plaintiff is  
8 entitled to the relief demanded, and such relief or any part thereof  
9 consists in restraining the commission or continuance of the act  
10 complained of, either for a limited period or perpetually.

11 2. When it shall appear by the complaint or affidavit that the  
12 commission or continuance of some act, during the litigation,  
13 would produce great or irreparable injury to the plaintiff.

14 3. When it shall appear, during the litigation, that the  
15 defendant is doing or threatens, or is about to do, or is procuring or  
16 suffering to be done, some act in violation of the plaintiff's rights  
17 respecting the subject of the action, and tending to render the  
18 judgment ineffectual.

19 Interpreting NRS 33.010, the Nevada Supreme Court has held that "[a] preliminary  
20 injunction is available if an applicant can show a likelihood of success on the merits and a  
21 reasonable probability that the non-moving party's conduct, if allowed to continue, will cause  
22 irreparable harm for which compensatory damage is an inadequate remedy." *Dangberg*  
23 *Holdings Nevada, LLC v. Douglas County*, 115 Nev. 129, 142, 978 P.2d 311, 319 (1999)  
24 (affirming order granting a preliminary injunction). Because Plaintiffs have wholly failed to  
25 satisfy the pre-requisites for injunctive relief, Plaintiffs' motion must be denied.

26 **B. Plaintiff's Motion Violates the Express Terms of the Receivership Order**

27 In misguided and deceptive fashion, Plaintiff seeks to have this Court exercise control  
28 over CWNevada's assets in direct violation of the express terms of the Receivership Order and  
Order Granting Receiver's Motion to Approve Good Faith Settlement with Department of  
Taxation on Order Shortening Time. The Receivership Order vests exclusive jurisdiction over  
the assets of the Receivership Estate in the Receivership Action pending before Judge Gonzalez,  
and provides in relevant part:

1           This Court hereby asserts exclusive jurisdiction and takes  
2           exclusive possession of all assets and property owned by,  
3           controlled by, or in the name of CWNevada, including all assets,  
4           rights, contracts, monies, securities, inventory, real property,  
5           personal property, tangible property and intangible property, of  
6           whatever kind and description and wherever situated, including but  
7           not limited to the following Nevada marijuana establishment  
8           licenses and the businesses and property associated therewith:  
9           8926 2643 4085 3963 7228; 0918 7693 7133 1267 8064; 1376  
          1794 0956 7505 0382; 39089 4981 6157 3630 3651; and 4358  
          1723 6737 5350 5053, as well as domain names, website and  
          content, cloud-based storage accounts, all social media accounts  
          and email record hosted by CWNevada and any third parties (all  
          assets are, collectively, the "Receivership Estate").

10           *See* Receivership Order at §1, 2:9-19. (emphasis added).

11           Moreover, the Receivership Order expressly authorizes the Receiver to "**liquidate any**  
12           **and all assets of CWNevada.**" (emphasis added). *See* Receivership Order at § 6, 4:17-21.

13           In the face of this clear directive, Plaintiffs claim the "Receiver has sought to liquidate  
14           CWNevada through settlement reached with the Nevada Department of Taxation which will  
15           leave CWNevada without any ability to perform under the MIPA or satisfy any judgments  
16           received by the Plaintiffs in this case. [citations omitted] Therefore, Plaintiffs seek an order  
17           from this court prohibiting the transfer, sale, liquidation or other disposition of the assets of  
18           CWNevada during the pendency of this case." *See* Plaintiffs' Motion, p. 4.

19           What Plaintiffs fail to disclose to this Court is that Judge Gonzalez, sitting in the  
20           Receivership Action, has already approved the settlement with the Department of Taxation over  
21           NuVeda's objection, which settlement requires that the Receiver use his best efforts to sell the  
22           unrevoked licenses within six months from the date of the settlement. *See* Melech Declaration,  
23           ¶14.

24           Further, Plaintiffs fail to advise this Court that the licenses/certificates at issue in the  
25           settlement with the Department of Taxation have nothing to do with the joint venture between  
26           CWNevada and NuVeda. *See* Melech Declaration, ¶11. Because of Plaintiffs ongoing  
27           deception, violation of court orders, and to avoid the potential for inconsistent decisions, the  
28           Receiver has filed a motion to consolidate this matter, along with other related cases, in the



1 Receivership Action. That motion to consolidate is scheduled for a telephonic hearing before  
2 Judge Gonzalez on July 23, 2020. *See* Melech Declaration, ¶89.

3 Plaintiffs have already objected to the settlement with the Department of Taxation in the  
4 Receivership Action before Judge Gonzalez and lost. This Court must not interfere with the  
5 decisions of Judge Gonzalez in the Receivership Action. Therefore, the motion for preliminary  
6 injunction must be denied.

7 **C. Plaintiffs cannot prevail on their claims for relief.**

8 Even if there were not specific court orders expressly authorizing the Receiver to take  
9 “exclusive possession of all assets and property owned by, controlled by, or in the name of  
10 CWNevada” and “liquidate any and all assets of CWNevada”, and approving the Receiver’s  
11 settlement with the Department of Taxation, Plaintiffs cannot prevail on their claims for relief.  
12 The Errata to the Complaint filed herein on March 21, 2019 asserts claims for relief for breach  
13 of contract, breach of the implied covenant of good faith and fair dealing, both related to the  
14 MIPA and seeks declaratory relief and injunctive relief related to the Downtown Dispensary  
15 and North Las Vegas Dispensary. Again, Plaintiffs efforts to deceive should not go unnoticed.  
16 Plaintiffs fail to disclose to this court that it has already agreed in writing, at least as of  
17 November 2018, that CWNevada did not breach the MIPA.

18 During the arbitration with 4Front, CWNevada and NuVeda entered into a Stipulation of  
19 Uncontested Facts dated November 2, 2018 with 4Front, which among other things, provided  
20 that “[t]he Membership Interest Purchase Agreement (“MIPA”) [J-249] was executed on  
21 December 6, 2015” and “is still in effect.” *See* Melech Declaration, ¶48. The Stipulation further  
22 provided that neither NuVeda nor CWNevada had “breached the MIPA.” *See* Melech  
23 Declaration, ¶49. Following the entry of the Final Judgment in favor of 4Front, Plaintiffs  
24 commenced this action just over four months after stipulating that the MIPA was still in effect  
25 and that CWNevada had not breached the MIPA. *See* Melech Declaration, ¶51.

26 Following the entry of the judgment in favor of 4Front, it is NuVeda, primarily through  
27 Bady, that has engaged in numerous fraudulent acts of self-dealing, misconduct and violations  
28 of the Receivership Order. The acts of self-dealing and misconduct include, but are not limited

1 to the following:

- 2 • NuVeda and Bady, acting without authority and contrary to the provisions of the  
3 CWNV Operating Agreement, purportedly dissolved CWNV on or about May 17, 2019.  
4 *See* Melech Declaration, ¶53.
- 5 • NuVeda and Bady failed to provide an accounting of CWNV's assets, liabilities  
6 and operations following the purported dissolution. *See* Melech Declaration, ¶58.
- 7 • NuVeda caused an eviction order to be issued against CWNevada and has  
8 continued to lock the Receiver from the Oxbow Unit 14 in violation of the Temporary  
9 Receiver Order. *See* Melech Declaration, ¶68.
- 10 • NuVeda has purportedly agreed to sell marijuana licenses to undisclosed third  
11 parties, including the licenses that were to be transferred to CWNV (D186, D187 and  
12 C166). *See* Melech Declaration, ¶71.

13 It is clear from the Receiver's declaration that following the adverse decision in the  
14 4Front arbitration, NuVeda has engaged in a series of wrongful acts designed to damage  
15 CWNevada. There being no breach of the MIPA, at least as of November 2018, Plaintiffs  
16 cannot prevail in this action on its claims for breach of contract or breach of the implied  
17 covenant of good faith and fair dealing.

18 **D. Plaintiffs Have Not Suffered Any Harm Caused By Defendants**

19 Plaintiffs assert four (4) causes of action, breach of contract and breach of the implied  
20 covenant of good faith and fair dealing for which it seeks monetary damages. For the purpose of  
21 an injunction, irreparable harm is an injury for which compensatory damage is an inadequate  
22 remedy. *See Excellence Cmty. Mgmt., LLC v. Gilmore*, 131 Nev. 347, 351 P.3d 720 (2015). On  
23 the face of Plaintiffs' Complaint, as amended by the Errata to Complaint, Plaintiffs only seek  
24 monetary damages for their claims for breach of contract and breach of the implied covenant of  
25 good faith and fair dealing. Under these circumstances, there can be no irreparable harm that  
26 merits the entry of a preliminary injunction related to either the breach of contract or breach of  
27 the implied covenant of good faith and fair dealing causes of action.

28 Plaintiffs assert causes of action for injunctive relief and declaratory judgment related to

1 the operation of the Downtown Dispensary and North Las Vegas Dispensary. As noted above,  
2 those are the licenses which were to have been transferred to CWNV (substituted with  
3 CWNV1). The licenses/certificates which are the subject of the settlement with the Department  
4 of Taxation, for which NuVeda now seeks a preliminary injunction, have nothing to do with the  
5 joint venture between CWNevada and NuVeda. *See* Melech Declaration, ¶11. Since Plaintiffs  
6 have not even alleged claims related to the licenses/certificates which are the subject of the  
7 settlement with the Department of Taxation, it has suffered no irreparable harm for which a  
8 preliminary injunction can issue.

9 Even if Plaintiffs can somehow relate its alleged harm to the licenses/certificates which  
10 are the subject of the settlement with the Department of Taxation, there are no motions pending  
11 in the Receivership Action seeking approval for the Receiver to liquidate the Receivership  
12 Estate's assets. NuVeda, should it prevail, is only entitled to money damages since the joint  
13 venture does not involve any of CWNevada's licenses. If Plaintiffs are entitled to recover, it is  
14 only entitled to recover money damages on a prorate basis along with the rest of CWNevada's  
15 unsecured creditors. No proceeds for any liquidation will be distributed until a motion is filed in  
16 the Receivership Action seeking approval of a distribution as a part of the Receivership's claim  
17 process, and if and when that occurs, NuVeda will have an opportunity to object to the  
18 distribution process once the Receiver file a motion to approve the same. The proper Court for  
19 NuVeda to object to the distribution process is in the Receivership Action, and no other place.  
20 Accordingly, the motion for preliminary injunction must be denied.

### 21 **III. Conclusion**

22 Plaintiffs' motion fails at every turn. By filing the instant motion, Plaintiffs are  
23 effectively asking this Court to reverse the decision of Judge Gonzalez approving the settlement  
24 with the Department of Taxation. Plaintiffs have failed to provide this Court with competent  
25 evidence to demonstrate that they are likely to prevail or that they will suffer irreparable harm  
26 should the motion be denied. Instead, there is credible evidence that it is NuVeda that has  
27 breached the MIPA and related agreements, and NuVeda that has caused damage to  
28 CWNevada. Moreover, there will be an established procedure in the Receivership Action for

1 NuVeda to object to the distribution process once the Receiver files a motion to approve the  
2 same. Based on the foregoing, the Receiver respectfully requests that Plaintiffs' motion for  
3 preliminary injunction be denied.

4 DATED this 20 day of July, 2020.

5 MUSHKIN & COPPEDGE

6  
7   
8 MICHAEL R. MUSHKIN, ESQ.

9 Nevada State Bar No. 2421

10 L. JOE COPPEDGE, ESQ.

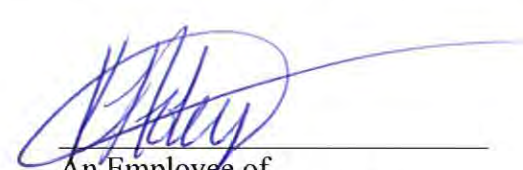
11 Nevada State Bar No. 4954

12 6070 S. Eastern Avenue, Suite 270

13 Las Vegas, Nevada 89119

14 **CERTIFICATE OF SERVICE**

15 I hereby certify that the foregoing **Opposition to Motion for Preliminary Injunction**  
16 **Preventing the Liquidation of CWNevada Pending Trial** was submitted electronically for  
17 filing and/or service with the Eighth Judicial District Court on this 20<sup>th</sup> day of July, 2020.  
18 Electronic service of the foregoing document shall be upon all parties listed on the Odyssey  
eFileNV service contact list.

19  
20   
21 An Employee of  
22 MUSHKIN & COPPEDGE  
23  
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28

# EXHIBIT 22

NUVEDA'S APPENDIX 0753



[6] COPY

Sherman

2019 JUN 13 PM 1:27

Case No. 19SUME00455

IN THE JUSTICE COURT OF PAHRUMP TOWNSHIP  
 COUNTY OF NYE, STATE OF NEVADA

RECEIVED &amp; FILED

\* \* \* \* \*

NYE NATURAL MEDICINAL SOLUTIONS, LLC

PLAINTIFF/LANDLORD,

vs.

24-HOUR ORDER  
OF EVICTION

CWNEVADA, LLC

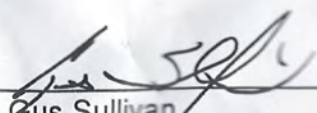
\_\_\_\_\_  
 DEFENDANT(S)/TENANT(S). /

Upon application duly and regularly made by the Plaintiff/Landlord  
 Representative, NYE NATURAL MEDICINAL SOLUTIONS, LLC, and proof thereon  
 being supported by a sworn affidavit on the date hereinafter mentioned, and good  
 cause appearing therefor,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS FOLLOWS;

That the Sheriff of Nye County, or one of her duly authorized agents, be, and she  
 hereby is, directed to remove defendant and every other person not authorized  
 found upon and within those certain premises located at 301 S OXBOW AV #13,  
 Pahrump Township, Nye County, Nevada, WITHIN TWENTY-FOUR HOURS.

DATED this 13th day of June, 2019.

  
 \_\_\_\_\_  
 Gus Sullivan  
 Justice of the Peace/Acting Magistrate for  
 Pahrump Township

# SUBLEASE AGREEMENT

## **PARTIES:**

***THIS SUBLEASE, DATED 04/27/2016, IS EXECUTED BY AND BETWEEN*** Nye Natural Medicinal Solutions, LLC whose address is PO Box 6255, Pahrump, Nevada 89041 (hereinafter referred to as the "Sublessor") and CWNevada, LLC (hereinafter referred to as the "Sublessee"). A copy of the original Lease is attached to this Sublease Agreement and is incorporated herein. The Sublessee agrees to comply with all the terms and conditions of the original Lease.

## **PREMISES:**

The Sublessor herein agrees to sublease to the Sublessee, and the Sublessee herein agrees to sublease from the Sublessor for the balance of the lease term, and upon all of the conditions set forth herein, fifty percent (50%) of the real property located at 301 S. Oxbow Avenue #13, Pahrump in the County of Nye, in the State of Nevada and ZIP code of 89048, herein described as. Said real property, including any land and any improvements thereon, shall hereinafter be referred to as the "Premises."

## **EMERGENCY CONTACT INFORMATION:**

If during the sublease any issues or problems arise with the Premises, the Sublessee agrees to contact Sandy Kindler at the telephone number of 775-513-4611.

***WHEREAS***, the Landlord, Andy Jordan, by the signing of this Sublease Agreement herein approves of the Sublessee's occupancy of the Premises subject to the terms and conditions set forth hereinafter. In consideration of the mutual promises and covenants exchanged between the Landlord and the Sublessor and the Sublessee herein, it is hereby agreed as follows:

## **TERM:**

The term of this sublease shall be for a period of one (1) year with two (2) additional three (3) year option periods, commencing on May 1, 2016, unless otherwise stipulated herein.

## **DELAY IN COMMENCEMENT OF SUBLEASE:**

In the event that the Sublessor is not able to deliver possession of the Premises to the Sublessee on the aforementioned commencement date, the Sublessor shall not therefore be held liable, nor shall such failure affect the validity of this lease or obligations of the sublease hereunder or extend the term thereof, but in such case as a delay in commencement should occur, the Sublessee shall not be obligated to pay any rent until such time as the Sublessee takes possession of the Premises.

However, in the event that the Sublessor does not deliver possession of said Premises to the Sublessee within sixty (60) days from the aforementioned commencement date, the Sublessee may at their sole discretion, by way of written notice to the Sublessor, may cancel this Sublease, and at which time the parties shall be discharged and released from any and all obligations associated with this Sublease.

## **MONTHLY LEASE AMOUNT:**

The Sublessee shall pay to the Sublessor a monthly rental amount of \$750.00 on the First day of each month for the duration of this lease term. Upon the signing of this Sublease Agreement, the Sublessee shall pay to the Sublessor the first month's rent in advance.

All future monthly payments shall be sent shall be mailed or hand delivered to the Sublessor at the  
**NUVEDA'S APPENDIX 0755**

aforementioned address in paragraph one (1) or to such other person or place as the Sublessor may designate in writing.

**USE OF PREMISES:**

The Sublessee shall have complete use and control of the Premises for the duration of the Sublease Agreement, until such time as the sublease expires.

**CONDITION OF PREMISES:**

The Sublessee agrees to hook up/pay for the following utilities: gas, electric, water, trash removal, cable tv, telephone, internet service

The Sublessee acknowledges that the premises are in good repair and in safe and clean condition unless otherwise indicated below:

**WASTE, NUISANCE OR UNLAWFUL USE:**

The Sublessee shall not cause or allow waste on the Premises, or maintain or permit to be maintained a nuisance on the Premises, or use or permit the Premises to be used in an unlawful manner.

**ATTORNEY'S FEES:**

In the event that of a breach of this agreement or should legal recourse be deemed necessary by either party to this Sublease Agreement, the parties herein agree that the prevailing party shall have the right to recover as part of the judgment reasonable attorney's fees, filing fees and/or court costs.

**REDECORATION OR ALTERATIONS:**

The Sublessee shall not redecorate or make any alterations to the Premises, in any way, that would constitute the making of alterations, or repaint the walls or woodwork, without first obtaining Sublessor's written consent to the alterations or redecoration.

**BINDING EFFECT:**

This Sublease Agreement shall inure to the benefit of and be binding on the heirs, successors, executors, administrators and assignees of the parties.

**GOVERNING LAW:**

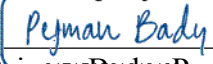
This Agreement shall be governed, construed and interpreted by, through and under the Laws of the State of Nevada.

[SIGNATURE PAGE TO FOLLOW]

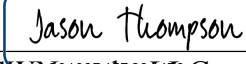


The Sublessee states and warrants that s/he is of the age of majority, being of the age of 18 or older, and has the legal capacity to enter into a mutually binding contractual agreement.

The undersigned have read the foregoing Sublease prior to execution and hereby acknowledge receipt of a copy of this Sublease Agreement.

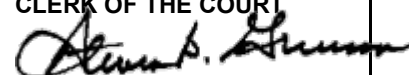
DocuSigned by:  
  
\_\_\_\_\_  
Pejman Bady, President

4/28/2016  
\_\_\_\_\_  
(Dated)

DocuSigned by:  
  
\_\_\_\_\_  
CW Nevada, LLC  
Name: Pejman Bady  
Title: President

4/28/2016  
\_\_\_\_\_  
(Dated)

# EXHIBIT 23



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*Attorneys for 4Front Advisors LLC*

**EIGHTH JUDICIAL DISTRICT COURT  
CLARK COUNTY, NEVADA**

NUVEDA, LLC, a Nevada Limited Liability  
Company; and CWNEVADA LLC, a  
Nevada Limited Liability Company,

Plaintiffs,

vs.

4FRONT ADVISORS LLC, foreign limited  
liability company, DOES I through X and  
ROE ENTITIES, II through XX, inclusive;

Defendants.

CASE NO. A-17-755479-C

DEPT. NO. XXXII

**SATISFACTION OF JUDGMENT AND  
RELEASE OF JUDGMENT LIENS AS TO  
NUVEDA, LLC ONLY**

Pursuant to NRS 17.200, Judgment Creditor 4Front Advisors LLC does hereby  
acknowledge that Judgment Debtor Nuveda, LLC has paid and satisfied the March 14, 2019  
Judgment entered by this Court ("Judgment"), which was recorded in the Clark County, Nevada  
Recorder's Office on March 14, 2019 as Instrument No. 20190314-0002082. The corresponding  
NRS 17.150 Judgment Affidavit was recorded on March 14, 2019 as Instrument No. 20190314-  
0002205 (collectively, "Judgment Liens"). I do hereby authorize and direct the clerk of the above-

**NUVEDA'S APPENDIX 0759**

entitled Court to enter satisfaction of record of said Judgment against Nuveda, LLC only and authorize the release the foregoing Judgment Liens against Nuveda, LLC.

This Satisfaction of Judgment and Release of Judgment Liens does not release any other judgment, lien, claim, or cause of action against any other party, and expressly does not release any judgment, lien, claim, or cause of action against CWNevada LLC.

Dated: April 8, 2019

SNELL & WILMER L.L.P.

/s/ Bradley Austin

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Phoenix, Arizona 85004

*Attorneys for 4Front Advisors LLC*

**DECLARATION OF ACKNOWLEDGEMENT**

I, Cory Braddock, pursuant to NRS 53.045, declare under penalty of perjury that the foregoing Satisfaction of Judgment and Release of Judgment Liens as to Nuveda, LLC Only is true and correct, and that I am authorized to make such representation pursuant to NRS 17.200.

Dated: April 8, 2019



Cory Braddock

## CERTIFICATE OF SERVICE

I hereby declare under penalty of perjury, that I am over the age of eighteen (18) years, and I am not a party to, nor interested in, this action. On this date, I caused to be served a true and correct copy of the foregoing **SATISFACTION OF JUDGMENT AND RELEASE OF JUDGMENT LIENS AS TO NUVEDA, LLC ONLY** by the method indicated below:



**BY MAIL:** by placing the document(s) listed above in a sealed envelope with postage thereon fully prepaid, in the United States mail at Las Vegas, Nevada addressed as set forth below.



**BY E-MAIL:** by transmitting via e-mail the document(s) listed above to the e-mail address(es) set forth below.



**BY OVERNIGHT MAIL:** by causing document(s) to be picked up by an overnight delivery service company for delivery to the addressee(s) on the next business day.



**BY PERSONAL DELIVERY:** by causing personal delivery by \_\_\_\_\_, a messenger service with which this firm maintains an account, of the document(s) listed above to the person(s) at the address(es) set forth below.



**BY ELECTRONIC SUBMISSION:** submitted to the above-entitled Court for electronic filing and service upon the Court's Service List for the above-referenced case.

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Ryan S. Peterson, Esq.  
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6 *Attorneys for Proposed Intervenor Green*  
7 *Pastures Fund, LLC Series 1 (CW Nevada,*  
8 *LLC), Jakal Investments, LLC, Green*  
9 *Pastures Group, LLC, Jonathan S. Fenn*  
10 *Revocable Trust, and Growth Opportunities,*  
11 *LLC*

12 DATED: April 8, 2019

13 /s/ Lyndsey Luxford

14 An Employee of Snell & Wilmer L.L.P.

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## NUVEDA'S APPENDIX 0764