

**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.

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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

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

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DATED this 9th day of June, 2021.

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

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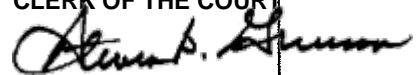
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**DISTRICT COURT
CLARK COUNTY, NEVADA**

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

Plaintiffs,

v.

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

Defendants.

Case No.: A-17-755479-B

Consolidated With: A-19-791405-C,
A-19-796300-B, and A-20-817363-B

Dept. No.: 11

Hearing Date: August 31, 2020
Hearing Time: 9:00 am

AND RELATED MATTERS

**OPPOSITION TO NUVEDA, LLC'S MOTION TO DISMISS
OR FOR SUMMARY JUDGMENT**

Dotan Y. Melech ("Melech" or the "Receiver"), as the Court Appointed Receiver of
CWNeVada, LLC ("CWNeVada"), Shane Terry ("Terry") and Phillip D. Ivey ("Ivey"), by and
through their attorneys, the law firm of Mushkin & Coppedge, submit the following Opposition
to NuVeda, LLC's Motion to Dismiss or for Summary Judgment ("Opposition"). This Opposition
is made based on the following Memorandum of Points and Authorities, together with the papers
and pleadings on file herein and any oral arguments at the time of hearing.

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. Statement of Facts**

3 1. On or about July 9, 2014, Terry entered into an Operating Agreement for NuVeda
4 (the “NuVeda Operating Agreement”) with Pejman Bady (“Bady”), Pouya Mohajer (“Mohajer”)
5 and Jennifer Goldstein (“Goldstein”) to apply for and operate marijuana dispensaries, cultivation
6 and processing facilities for medical marijuana pursuant to licenses obtained from certain
7 governmental divisions. *See Declaration of Shane Terry in Support of Opposition to NuVeda,*
8 *LLC’s Motion to Dismiss or for Summary Judgment (“Terry Declaration”) at ¶ 3, Ex. 1 to the*
9 *Opposition; NuVeda Operating Agreement Exhibit 3 to the Opposition.*

10 2. Since NuVeda’s formation, Terry has been a Manager, Voting Member and at
11 times, NuVeda’s Chief Executive Officer and Chief Operations Officer. *See Terry Declaration at*
12 *¶5, Ex. 1 to the Opposition.*

13 3. Initially, Terry owned 21.5% of NuVeda and its subsidiaries, Clark NMSD, Clark
14 Natural, and Nye Natural. Terry’s ownership interest was later increased to 22.88%. *See Terry*
15 *Declaration at ¶6, Ex. 1 to the Opposition.*

16 4. On or about November 20, 2015 under guidance of NuVeda’s corporate counsel,
17 Bady’s and Mohajer’s NuVeda interests were terminated pursuant to Section 6.2 of the Operating
18 Agreement. *See Terry Declaration at ¶7, Ex. 1 to the Opposition.*

19 5. However, Bady and Mohajer disregarded the expulsion and claimed they remained
20 Voting Members, Managers, and officers with authority to act on behalf of NuVeda. *See Terry*
21 *Declaration at ¶8, Ex. 1 to the Opposition.*

22 6. Between November 20th, 2015 and December 3, 2015, Bady and Mohajer, acting
23 as purported representatives of NuVeda, attempted to sell NuVeda’s interests in its highly
24 valuable and privileged licenses to multiple parties, including CWNevada. *See Terry Declaration*
25 *at ¶9, Ex. 1 to the Opposition.*

26 **The District Court Action**

27 7. Over concerns that any attempted and unauthorized transfer of interest could
28 jeopardize NuVeda’s licenses, on December 3, 2015, Goldstein and Terry filed a complaint, as

1 individuals and on behalf of NuVeda in the District Court for Clark County, Nevada against Bady
2 and Mohajer as Case Number A-15-728510-B (the “District Court Action”), and
3 contemporaneously filed a Motion for a Preliminary Injunction requesting that the Court enjoin
4 any transfer of NuVeda’s membership interests. *See Terry Declaration at ¶10, Ex. 1 to the*
5 *Opposition.*

6 8. The District Court Action sought, among other things, the issuance of a
7 preliminary and permanent injunction maintaining the status quo pending a final resolution of the
8 parties’ disputes in an arbitral proceeding. *See Terry Declaration at ¶11, Ex. 1 to the Opposition.*

9 9. Although the District Court did not issue a preliminary injunction in the District
10 Court Action, on January 13, 2016, the Court ordered (the “January 13, 2016 Order”), among
11 other things, “IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pending the
12 completion of the contemplated arbitration, the parties are to take no further action to expulse
13 each other on the factual bases presented to the Court during the evidentiary hearing.” *See Terry*
14 *Declaration at ¶12, Ex. 1 to the Opposition; January 13, 2016 Order, Exhibit 4 to the Opposition.*

15 10. Goldstein and Terry commenced a private arbitration proceeding with the
16 American Arbitration Association against NuVeda, Bady and Mohajer captioned as Terry, et al.
17 v. NuVeda, LLC, et al., AAA Case No. 01-15-005-8574 (the “Arbitration”). *See Terry*
18 *Declaration at ¶13, Ex. 1 to the Opposition.*

19 11. Notwithstanding the express language of the January 13, 2016 Order, in a March
20 10, 2016 meeting attended by Terry, Bady called for a vote to expel Terry from NuVeda. *See*
21 *Terry Declaration at ¶14, Ex. 1 to the Opposition.*

22 12. Bady, Mohajer and Kennedy voted in favor of the motion to expel Terry in
23 violation of the January 13, 2016 Order. *See Terry Declaration at ¶15, Ex. 1 to the Opposition.*

24 13. The purported expulsion was further documented in a meeting on or about
25 September 19, 2017, where the NuVeda Meeting Minutes indicate Terry’s interest in NuVeda
26 was distributed to Bady and Mohajer. *See Terry Declaration at ¶16, Ex. 1 to the Opposition.*

27 14. NuVeda, Bady and Mohajer purportedly transferred Terry’s individual license
28 interest in NuVeda directly to Bady and Mohajer without Terry’s consent. *See Terry Declaration*

1 at ¶17, Ex. 1 to the Opposition.

2 **Membership Interest Purchase Agreement**

3 15. At or about the same time, NuVeda as “Transferor” along with Clark NMSD and
4 Nye Natural and CWNevada as “Transferee” and CWNV, LLC, a to be formed Nevada limited
5 liability company, entered into a Membership Interest Purchase Agreement (the “MIPA”)
6 effective as of December 6, 2015. *See Declaration of Dotan Y. Melech in Support of Opposition*
7 *to NuVeda, LLC’s Motion to Dismiss or for Summary Judgment (“Melech Declaration”) at ¶7,*
8 *Ex. 2 to the Opposition; MIPA Exhibit 5 to the Opposition.*

9 16. Among other things, the MIPA provides in part as follows:

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

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

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

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

27 e. Subject to the terms of the MIPA, CWNevada as Transferee agreed to
28 purchase and NuVeda as Transferor agreed to sell 100% of the membership interests

owned by NuVeda in Clark Natural NMSD and Nye Natural.

f. CWNevada agreed to cause to be formed a new manager-managed Nevada limited liability company defined as “CWNV”.

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

CWNV, LLC

17. On or about January 21, 2016, CWNevada and NuVeda caused CWNV to be formed. *See Melech Declaration at ¶9, Ex. 2 to the Opposition.*

18. CWNV was formed as a joint venture between CWNevada and NuVeda to raise money to build and operate the Downtown Dispensary located at 1324 S. 3rd Street, Las Vegas, Nevada and the North Las Vegas Dispensary located at 2113 N. Las Vegas Blvd., North Las Vegas, Nevada. *See Melech Declaration at ¶10, Ex. 2 to the Opposition.*

19. On or about March 22, 2016, CWNevada and NuVeda entered into an Operating Agreement of CWNV, LLC (the “CWNV Operating Agreement”). *See Melech Declaration at ¶11, Ex. 2 to the Opposition; CWNV Operating Agreement Exhibit 6 to the Opposition.*

20. The initial members of CWNV were CWNevada and NuVeda. *See Melech Declaration at ¶12, Ex. 2 to the Opposition.*

21. The initial managers of CWNV were Padgett, Bady and Jason Thompson. *See Melech Declaration at ¶12, Ex. 2 to the Opposition.*

22. The CWNV Operating Agreement listed CWNevada’s membership interest as 65% and NuVeda’s membership interest as 35%. *See Melech Declaration at ¶14, Ex. 2 to the Opposition.*

23. The CWNV Operating Agreement identified CWNevada’s capital contribution as “Full Construction Funding, Goods, Services, and Specified Debt Service.” *See Melech Declaration at ¶15, Ex. 2 to the Opposition.*

24. CWNevada invested at least two million dollars into CWNV to provide

1 construction funding to build the Downtown Dispensary and the North Las Vegas Dispensary.
2 *See Melech Declaration at ¶16, Ex. 2 to the Opposition.*

3 25. The Downtown Dispensary opened in or about December 2016 and the North Las
4 Vegas Dispensary opened in January 2017, as a result of CWNevada's construction funding. *See*
5 *Melech Declaration at ¶17, Ex. 2 to the Opposition; Lease Agreements Exhibits 7 and 8 to the*
6 *Opposition.*

7 26. The CWNV Operating Agreement identified NuVeda's capital contribution as
8 "Medical Marijuana Licenses as referenced in the [MIPA]." *See Melech Declaration at ¶18, Ex.*
9 *2 to the Opposition.*

10 **First Purchase and Sale Agreement for Remaining 35 Percent of Clark and Nye**
11 **Licenses**

12 27. On or about April 17, 2018, Nye Natural and Clark NMSD entered into a First
13 Purchase and Sale Agreement for Remaining 35 Percent of Clark and Nye Licenses (the "First
14 Purchase Agreement"). *See Melech Declaration at ¶19, Ex. 2 to the Opposition; First Purchase*
15 *Agreement Exhibit 9 to the Opposition.*

16 28. The First Purchase Agreement provided, among other things, that in exchange for
17 NuVeda selling the remaining 35% of its interest in CWNV to CWNevada, CWNevada would
18 increase the consideration paid to NuVeda from that contemplated under the MIPA to a to a total
19 monthly payment of 2.625% of the gross sales of CWNevada, subject to a minimum payment of
20 \$235,870.00 per month. *See Melech Declaration at ¶20, Ex. 2 to the Opposition.*

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

1 ¶21, *Ex. 2 to the Opposition*.

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

4 30. During the pendency of the District Court Action and Arbitration, on or about
5 April 30, 2018, Terry entered into a "Purchase and Sale Agreement for Terry's Ownership Interest
6 in NuVeda and NuVeda-Managed Licenses" (the "Terry Purchase Agreement") with BCP 7, as
7 the Buyer. *See Terry Declaration at ¶18, Ex. 1 to the Opposition; Purchase and Sale Agreement*
8 *for Terry's Ownership Interest in NuVeda and NuVeda-Managed Licenses", Exhibit 10 to the*
9 *Opposition.*

10 31. Padgett personally guaranteed all payments and other performance obligations due
11 under the Terry Purchase Agreement. *See Terry Declaration at ¶19, Ex. 1 to the Opposition.*

12 32. The Terry Purchase Agreement provides, among other things, that Terry agreed to
13 sell the Terry Interest and BCP 7 agreed to purchase the Terry Interest for specified consideration
14 and on specific terms. *See Terry Declaration at ¶20, Ex. 1 to the Opposition.*

15 33. The total purchase price for BCP 7 to acquire the Terry Interest was \$1.75 million
16 (the "Purchase Price"), which was "substantially reduced" from fair market value. *See Terry*
17 *Declaration at ¶21, Ex. 1 to the Opposition.*

18 34. The Purchase Price was payable as follows: (i) an initial payment of \$500,000.00
19 in good and payable U.S. funds to be paid to Terry on or before June 15, 2018 (the "Initial
20 Payment"), and (ii) monthly payments of the \$1.25 million balance due on or before June 15,
21 2028 with payments due monthly until paid in full (the "Monthly Payments"). *See Terry*
22 *Declaration at ¶22, Ex. 1 to the Opposition.*

23 35. The Monthly Payments were to be made on or before the first day of the month in
24 an amount not less than the interest accrued on the outstanding balance at an interest rate of 18%.
25 *See Terry Declaration at ¶23, Ex. 1 to the Opposition.*

26 36. The Monthly Payments were to commence May 1, 2018, and the first payment
27 was to have been made no later than May 2, 2018. *See Terry Declaration at ¶24, Ex. 1 to the*
28 *Opposition.*

1 37. The Terry Purchase Agreement further provided that there shall be acceleration of
2 the outstanding Balance and any unpaid accrued interest thereon upon (1) the sale or transfer of
3 the Terry Interest to a vehicle not owned by BCP 7, or any beneficial rights thereunder, from BCP
4 7 to a third party (other than CWNV, LLC); or (2) a default of a payment obligations, which shall
5 result from any failure to timely pay the Initial Down Payment or any Monthly Payments on the
6 Balance following notice of failure to Padgett and no cure within 10 business days thereof. *See*
7 *Terry Declaration at ¶25, Ex. 1 to the Opposition.*

8 38. Upon execution of the Terry Purchase Agreement and upon receipt of the first
9 Monthly Payment, Terry agreed, among other things, to assign any and all claims and right in the
10 Arbitration and District Court Action to BCP 7. *See Terry Declaration at ¶26, Ex. 1 to the*
11 *Opposition.*

12 39. BCP 7 made a partial payment toward the Initial Payment in the sum of
13 \$250,000.00 on or about August 1, 2018. *See Terry Declaration at ¶27, Ex. 1 to the Opposition.*

14 40. In addition to the partial Initial Payment, BCP 7 made partial interest and extension
15 payments. *See Terry Declaration at ¶28, Ex. 1 to the Opposition.*

16 41. However, BCP 7 has yet to pay Initial Payment or Monthly Payments in full. *See*
17 *Terry Declaration at ¶29, Ex. 1 to the Opposition.*

18 42. As a result of BCP 7's failure to pay the Initial Payment or any of the Monthly
19 Payments in full, Terry provided notice of and right to cure this failure to BCP 7 and Padgett. *See*
20 *Terry Declaration at ¶30, Ex. 1 to the Opposition.*

21 43. BCP 7 and Padgett failed to cure the outstanding balance owed following notice
22 of such failure and a right to cure within 10 business days. *See Terry Declaration at ¶31, Ex. 1 to*
23 *the Opposition.*

24 44. As a result of BCP 7's and Padgett's failure to pay the Initial Payment and Monthly
25 Payments in full, including the first Monthly Payment, there has not been a valid transfer of the
26 Terry Interest to BCP 7. *See Terry Declaration at ¶32, Ex. 1 to the Opposition.*

27 45. Notwithstanding the fact that the Terry Interest was never properly transferred to
28 BCP 7, in an email dated June 5, 2018 from Padgett to the arbitrator in the Arbitration, Padgett

1 purported to dismiss “all claims of myself, CWNevada, BCP Holdings 7, LLC and Shane Terry
2 (all right, title, and interest against Bady, Mohajer, and NuVeda and its subsidiaries (Clark
3 NMSD, Clark Natural Medicinal Solutions, and Nye Natural Medicinal Solutions) with
4 prejudice.” *See Terry Declaration at ¶33, Ex. 1 to the Opposition.*

5 46. Not only did CWNevada never make or assert any claims related to the Arbitration,
6 the Padgett email clearly evidences a conspiracy between Padgett, NuVeda, Bady and Mohajer
7 to defraud Terry by having BCP 7 purportedly purchase the Terry Interest, and then immediately
8 attempt to dismiss the claims in the Arbitration without BCP 7 and Padgett paying the agreed
9 consideration. *See Terry Declaration at ¶34, Ex. 1 to the Opposition.*

10 **Amendment to Membership Interest Purchase Agreement**

11 47. At or about the same time Padgett, NuVeda, Bady and Mohajer were conspiring
12 together to defraud Terry of the Terry Interest, CWNevada, NuVeda, Clark NMSD and Nye
13 Natural entered into an Amendment to Membership Interest Purchase Agreement (the “MIPA
14 Amendment”). *See Melech Declaration at ¶22, Ex. 2 to the Opposition; MIPA Amendment*
15 *Exhibit 11 to the Opposition.*

16 48. The MIPA Amendment is dated the 2nd day of July, 2018 and provides in part that
17 the licenses identified in the MIPA are to be transferred to a new manager-managed Nevada
18 limited liability company defined as CWNVI in place of CWNV as originally designated. *See*
19 *Melech Declaration at ¶¶22-23, Ex. 2 to the Opposition.*

20 49. All references to CWNV in the MIPA were replaced and substituted with
21 CWNVI. *See Melech Declaration at ¶24, Ex. 2 to the Opposition.*

22 50. The MIPA Amendment further provided that the parties agreed the Production
23 license, Reference # 91604693916166507699 would remain with Nye Natural. *See Melech*
24 *Declaration at ¶25, Ex. 2 to the Opposition.*

25 51. As set forth above, on or about July 3, 2018, Amanda Connor, purportedly writing
26 on behalf of Clark NMSD, Nye Natural and CWNevada, submitted a transfer of ownership
27 request with regards to the interest in the licenses with application IDs C166, D186 and D187.
28 *See Melech Declaration at ¶26, Ex. 2 to the Opposition; Correspondence dated July 3, 2018,*

1 *Exhibit 12 to the Opposition.*

2 52. However, it does not appear that this transfer of ownership request was ever
3 processed. *See Melech Declaration at ¶27, Ex. 2 to the Opposition.*

4 **Second Purchase and Sale Agreement for Remaining 35 Percent of Clark and Nye**
5 **Licenses**

6 53. Then, on July 5, 2018, Clark NMSD, Nye Natural, Percelt, LLC (“Percelt”) and
7 CWNevada entered into a second Purchase and Sale Agreement for Remaining 35 Percent of
8 Clark and Nye Licenses (the “Second Purchase Agreement”). *See Melech Declaration at ¶28, Ex.*
9 *2 to the Opposition; Second Purchase Agreement, Exhibit 13 to the Opposition.*

10 54. The Second Purchase Agreement is substantively similar to the First Purchase
11 Agreement with the notable exception that payments are to be made to Percelt and CWMV1 is
12 substituted for CWNV. *See Melech Declaration at ¶29, Ex. 2 to the Opposition.*

13 55. The Second Purchase Agreement provides in part that in exchange for NuVeda
14 selling the remaining 35% of its interest in CWNV1 to CWNevada, CWNevada would increase
15 the consideration paid to Percelt from that contemplated under the MIPA to a total monthly
16 payment of 2.625% of the gross sales of CWNevada, subject to a minimum payment of
17 \$235,870.00 per month. *See Melech Declaration at ¶30, Ex. 2 to the Opposition.*

18 56. The parties to the Second Purchase Agreement “acknowledge[d] that the joint
19 application for the transfer of ownership of the NuVeda Licenses to CWNV1 must be submitted
20 to the State of Nevada, Department of Taxation immediately for review and approval and the
21 Parties further acknowledge that the intent of the [First Purchase Agreement was] to effectuate a
22 100 percent ownership of the NuVeda Licenses in [CWNV1] and NuVeda owners shall then
23 remove themselves as listed owners of record on these licenses. If the transfer of the NuVeda
24 Licenses to CWNV is not completed within 45 days of submittal, payment to Percelt shall be held
25 in abeyance until the NuVeda Licenses transfer to CWNV1 ownership.” *See Melech Declaration*
26 *at ¶31, Ex. 2 to the Opposition.*

1 **Addendum to Purchases and Sale Agreement for the Remaining 35 Percent of the**
2 **Clark and Nye Licenses**

3 57. Also on or about July 5, 2018, CWNevada, NuVeda, Clark NMSD, Nye Natural,
4 NMSD, CWNV1, Percelt, LLC (“Percelt”) and 2113 Investors, LLC (“2113 Investors”) entered
5 into an Addendum to Purchases and Sale Agreement for the Remaining 35 Percent of the Clark
6 and Nye Licenses (“April 17, 2018 Agreement”) (the “July 5, 2018 Addendum”). *See Melech*
7 *Declaration at ¶32, Ex. 2 to the Opposition; July 5, 2018 Addendum Exhibit 14 to the Opposition.*

8 58. The July 5, 2018 Addendum provides, among other things, that the MIPA
9 contemplated the transfer of 100% of Nye Natural to CWNV1. Subsequently, the parties agreed
10 that the Nye Natural Production license, Reference # 91604693916166507699 would remain with
11 Nye Natural. *See Melech Declaration at ¶33, Ex. 2 to the Opposition.*

12 **Acts of Self-Dealing and other Misconduct**

13 59. The partnership between CWNevada and NuVeda remained intact until an
14 arbitration award was entered in favor of 4Front Advisor’s LLC (“4Front”) on or about November
15 27, 2018 against CWNevada in the sum of \$4,987,092.09 and against NuVeda in the sum of
16 \$3,741,803.92. *See Melech Declaration at ¶34, Ex. 2 to the Opposition.*

17 60. The 4Front arbitration award was confirmed as a final judgment on or about March
18 14, 2019. *See Melech Declaration at ¶35, Ex. 2 to the Opposition; Order Granting Defendant’s*
19 *Motion to Confirm Arbitration Award and Request to Enter Judgment -and- Final Judgment*
20 *Exhibit 15 to the Opposition.*

21 61. During the arbitration with 4Front, CWNevada and NuVeda entered into a
22 Stipulation of Uncontested Facts (“Stipulation”) with 4Front, which among other things, provided
23 that “[t]he Membership Interest Purchase Agreement (“MIPA”0 [J-249] was executed on
24 December 6, 2015” and ... “is still in effect.” *See Melech Declaration at ¶36, Ex. 2 to the*
25 *Opposition; Stipulation of Uncontested Facts Exhibit 16 to the Opposition.*

26 62. The Stipulation further provided that neither NuVeda nor CWNevada had
27 “breached the MIPA.” *See Melech Declaration at ¶37, Ex. 2 to the Opposition.*

28 63. Following the entry of the final judgment in favor of 4Front, Bady, Mohajer and

1 Kennedy, individually and at times through NuVeda or other entities, engaged in fraudulent acts
2 of self-dealing and other acts of misconduct that constituted a breach of their legal duties.

3 64. Bady, acting without authority and contrary to the provisions of the CWNV
4 Operating Agreement, purportedly dissolved CWNV on or about May 17, 2019. *See Melech*
5 *Declaration at ¶38, Ex. 2 to the Opposition; Dissolution of Limited-Liability Company, Exhibit*
6 *17 to the Opposition.*

7 65. At the time of the purported dissolution, Bady was not and had not been a manager
8 of CWNV since February 7, 2018. *See Melech Declaration at ¶39, Ex. 2 to the Opposition.*

9 66. Further, the CWNV Operating Agreement provides in part that “[t]he Company
10 shall be dissolved upon the occurrence of the following events ... (ii) By the unanimous written
11 agreement of all Members ...” *See Melech Declaration at ¶40, Ex. 2 to the Opposition.*

12 67. CWNevada did not enter any written agreement for the dissolution of CWNV or
13 CWNV1. *See Melech Declaration at ¶41, Ex. 2 to the Opposition.*

14 68. Since the purported dissolution, Bady and NuVeda have represented that NuVeda
15 is serving in the role as trustee over CWNV. *See Melech Declaration at ¶42, Ex. 2 to the*
16 *Opposition.*

17 69. In that self-appointed role, NuVeda and Bady have breached the terms of the
18 CWNV Operating Agreement by, among other things,

- 19 a. Acting in the role of the Manager of CWNV without authority;
- 20 b. Failing to obtain and provide an accounting made by CWNV’s
21 independent accountants of the CWNV’s accounts, assets, liabilities and operations;
- 22 c. Failing to allocate any profit or loss resulting from any sale of CWNV’s
23 assets to the Members;
- 24 d. Failing to discharge the liabilities of CWNV; and
- 25 e. If assets or funds remain after discharging all liabilities, failing to distribute
26 such assets and funds to the Members and/or Economic Interest Owners.

27 *See Melech Declaration at ¶43, Ex. 2 to the Opposition.*

28 70. Upon information and belief, CWNV1 has also been dissolved. *See Melech*

1 Declaration at ¶44, Ex. 2 to the Opposition.

2 **I. Argument**

3 **A. NuVeda's Motion to Dismiss should be denied.**

4 **1. Standard of Review**

5 Alternatively, NuVeda seeks dismissal of the Plaintiffs' claim for declaratory relief as it
6 relates to the Receiver and Terry or summary judgment on those claims. To the extent the motion
7 seeks dismissal for "failure to state a claim upon which relief can be granted", the Motion must
8 be denied. The Nevada Supreme Court has long held that:

9 The standard of review for a dismissal under subsection b(5) is rigorous,
10 as the court must construe the pleadings liberally and draw ever fair
inference in favor of the non moving party.

11 . . .
12 A complaint will not be dismissed for failure to state a claim unless it
13 appears beyond a doubt that the plaintiff could prove no set of facts
which, if accepted by the trier of fact would entitle him or her to relief.

14 *Simpson v. Mars Inc.*, 113 Nev. 188, 929 P.2d 966 (1997).

15 In addition, in *Hynds Plumbing & Heating Co. v. Clark County Sch. Dist.*, 94 Nev. 776,
16 587 P.2d 1331 (1978), the Nevada Supreme Court held that: "When tested by a subdivision (b)(5)
17 motion to dismiss for failure to state a claim upon which relief can be granted, the allegations of
18 the complaint must be accepted as true." Further, the Nevada Supreme Court clearly stated that:
19 "The appropriate standard for a motion to dismiss based on a failure to state a claim is 'beyond a
20 doubt' and not 'beyond a reasonable doubt.'" *Buzz Stew, LLC v. City of N. Las Vegas*, 124 Nev.
21 224, 228 n.6, 181 P.3d 670, 672 n.6 (2008).

22 "The trial court may consider some matters outside the pleadings... A court may also
23 consider unattached evidence on which the complaint necessarily relies if: (1) the complaint refers
24 to the document; (2) the document is central to the plaintiffs claim; and (3) no party questions the
25 authenticity of the document." *Baxter v. Dignity Health*, 131 Nev. Adv. Op. 76, 357 P.3d 927
26 (2015).

27 **2. The Receiver's claim is not barred by the doctrine of impossibility**

28 NuVeda asserts as a single basis in support of its request for dismissal or summary

1 judgment of the Receiver's claim for declaratory relief -- that the joint venture between
2 CWNevada and NuVeda cannot be enforced due to impossibility of performance by CWNevada.
3 NuVeda misunderstands the defense of impossibility. Generally, the defense of impossibility is
4 only "available to a promisor where his performance is made impossible or highly impractical by
5 the occurrence of unforeseen contingencies..." *Cashman Equip. Co. v. West Edna Assocs.* 132
6 Nev. 689, 701, 380 P.3d 844, 852 (Nev. 2016) NuVeda argues the MIPA cannot be enforced
7 because CWNV failed to construct cultivation and production facilities, that NuVeda entered into
8 a joint venture with Mr. Padgett, not the Receiver, and Mr. Padgett's marijuana agent card is
9 subject to revocation by the State of Nevada.

10 There are several things wrong with NuVeda's position. First, the defense would be
11 available to CWNevada if either it or CWNV could not perform under the MIPA. That is not the
12 case. The Receiver has expressly stated under oath that, "CWNeveda is presently operating
13 dispensaries at a net profit and has access to all necessary facilities and has the ability to perform
14 under the MIPA." *See Melech Declaration at ¶46.* Since CWNevada is very much able to perform
15 under the MIPA, NuVeda's motion must be denied.

16 Further, the MIPA is not between NuVeda and Mr. Padgett individually. The MIPA is
17 between NuVeda as "Transferor" along with Clark NMSD and Nye Natural and CWNevada as
18 "Transferee" and CWNV, LLC, a to be formed Nevada limited liability company. NuVeda
19 conveniently ignores this Court's order appointing Mr. Melech as Receiver "over CWNevada
20 LLC and all of its assets including, without limitation, all assets and rights related to any
21 subsidiary and affiliated entities (collectively "CWNeveda") in which CWNevada has an
22 ownership interest, including but not limited to CWNV LLC." The Current Receivership Order
23 further provides the Receiver with the powers and duties to,

24 Negotiate, execute, perform, extend, re-negotiate, amend, or modify any
25 contracts or obligations, to the extent any such contract or agreement is
26 necessary for CWNevada to maintain the status and resources required of it
27 under Nevada law to remain eligible for its marijuana establishment licenses in
28 accordance with the Department of Taxation regulations and Nevada statutes.

Current Receivership Order, p. 2, § 2(a).

1 Clearly, the Receiver has the ability to perform the MIPA without Mr. Padgett's
2 involvement. Moreover, after entering the MIPA, the partnership between CWNevada and
3 NuVeda remained intact until the arbitration award was entered in favor of 4Front against
4 CWNevada in the sum of \$4,987,092.09 and against NuVeda in the sum of \$3,741,803.92. That
5 award was confirmed as a final judgment on or about March 14, 2019. It is important for this
6 Court to recognize that during the arbitration with 4Front, CWNevada and NuVeda entered into
7 the Stipulation with 4Front on November 2, 2018, which among other things, provided that "[t]he
8 Membership Interest Purchase Agreement ("MIPA") [J-249] was executed on December 6, 2015"
9 and "is still in effect." The Stipulation further provided that as of November 2, 2018, neither
10 NuVeda nor CWNevada had "breached the MIPA."

11 The MIPA further provides it may only be terminated upon the occurrence of specific
12 events, and if not by mutual agreement, then NuVeda may only terminate the MIPA "upon the
13 material breach by [CWNevada] or CWNV of any covenant or agreement contained herein,
14 provided that such breach is not cured within thirty (30) days of written notice by NuVeda that
15 such a breach has occurred, or if such breach is not capable of cure within such thirty (30) day
16 period, that [CWNevada] and CWNV have taken action to commence a cure by such date and is
17 diligently pursuing the same..." There is no evidence that NuVeda has provided the requisite
18 notice and right to cure to CWNevada and CWNV (substituted with CWNVI). *See Melech*
19 *Declaration at ¶45.*

20 It is abundantly clear that NuVeda wants to appropriate the licenses that were to have been
21 transferred to CWNV (substituted with CWNVI) for itself. However, the MIPA has not been
22 terminated, and since CWNevada is able to perform under the MIPA, NuVeda's motion based on
23 a misapplication of the impossibility doctrine must be denied.

24 **3. Terry's claims against NuVeda are not barred as a matter of law.**

25 Similarly, NuVeda seeks dismissal of Terry's claim for declaratory relief because he has
26 not filed a motion to set aside the dismissal with the arbitrator. NuVeda conveniently ignores the
27 current posture of Terry's status in the Arbitration. Plaintiffs do not dispute that Terry entered the
28 Terry Purchase Agreement with BCP 7, and that Terry assigned his right to the Terry Interest to

1 BCP 7. *Terry Declaration at ¶ 20*. Before Terry can move to set aside the dismissal on the basis
2 that it is void, he must first seek rescission of the Terry Purchase Agreement in this Court as
3 disputes regarding the Terry Purchase Agreement are not before the Arbitrator. As a result of BCP
4 7's and Padgett's failure to pay the Initial Payment and Monthly Payments, rescission of the Terry
5 Purchase Agreement is likely. *Terry Declaration at ¶ 29*.

6 Rescission is an equitable remedy which totally abrogates a contract and seeks to place
7 the parties in the position they occupied before executing the contract. *Awada v. Shuffle Mater,*
8 *Inc.* 123 Nev. 613, 173 P.3d 707 (Nev. 2007). A party to a contract may seek rescission on grounds
9 of fraud, inadequacy or failure of consideration. *Barnett Bank v. Chiatovich*, 48 Nev. 319, 232 P.
10 206 (1925). Whether rescission shall be granted rests largely in the sound discretion of the district
11 court. *Havas v. Alger*, 85 Nev. 627, 631, 461 P.2d 857, 860 (1969). The mere fact that a
12 conveyance has been made does not prevent rescission and cancellation of a deed for failure of
13 consideration. *Canepa v. Durham*, 62, Nev. 417, 153 P.2d 899 (1944). Similarly, the fact that the
14 Arbitrator has dismissed the Arbitration does not prevent rescission of the Terry Purchase
15 Agreement for failure of consideration. In fact, rescission of the Terry Purchase Agreement is
16 almost a foregone conclusion as there is no dispute BCP and Mr. Padgett failed to pay the agreed
17 consideration. As a result, there is more than a reasonable likelihood that Mr. Terry will be able
18 to pursue his claim to the Terry Interest in the Arbitration.

19 The order of dismissal was a final judgment that concluded the Arbitration as to Terry and
20 cannot be reopened except by a motion to set aside the judgment under NRCP 60(b). *SFPP, L.P.*
21 *v. Second Judicial Dist. Court of Nev.*, 123 Nev. 608, 612, 173 P.3d 715, 717 (2007). In this
22 action, Plaintiffs seek a declaratory judgment that (i) the Terry Purchase Agreement is null and
23 void resulting from a fraud in the inducement and for a complete failure of consideration, (ii) the
24 Terry Interest was never transferred to BCP 7 or any other entity and (iii) a declaration that Terry
25 is the sole and only owner of the Terry Interest. If the Terry Purchase Agreement is rescinded,
26 and the parties are placed in the position they occupied before executing the Terry Purchase
27 Agreement, then Padgett would never have had the ability to dismiss the Arbitration, in effect
28 making it void. Judgments, once found to be void, should generally be set aside. *Teriano v. Nev.*

1 *State Bank (In re Harrison Living Trust)*, 121 Nev. 217, 222, 112 P.3d 1058 (2005). NRCP
2 60(c)(1) does not impose a six-month time period for bringing a motion to set aside a judgment
3 that is void. Instead, under NRCP60(b)(4) and (c)(1), a motion to set aside a void judgment must
4 be made within a reasonable time. *Teriano*, 121 Nev. at 221-22. Once Terry obtains rescission of
5 the Terry Purchase Agreement in this Court, only then can he bring a motion to set aside the
6 dismissal in the Arbitration case. At that time, it will be a decision for the arbitrator whether the
7 motion was brought within a reasonable time. Accepting all of the statements in the complaint as
8 true, and construing them liberally and in favor of the Plaintiffs, NuVeda's motion to dismiss
9 must be denied as to Terry's claims

10 **B. NuVeda's Alternative Motion for Summary Judgment should also be Denied.**

11 NRCP 56 states in part as follows:

12 (a) Motion for Summary Judgment or Partial Summary Judgment. party
13 may move for summary judgment, identifying each claim or defense —
14 or the part of each claim or defense — on which summary judgment is
15 sought. The court shall grant summary judgment if the movant shows
16 that there is no genuine dispute as to any material fact and the movant
is entitled to judgment as a matter of law. The court should state on the
record the reasons for granting or denying the motion.

17 Again, NuVeda has wholly failed to comply with NRCP 56 in requesting summary
18 judgment. Specifically, NuVeda has failed to set forth the facts that cannot be or that are not
19 genuinely disputed and supported those facts with appropriate citations to the particular parts in
20 the record to admissible evidence. See NRCP 56(c)(1). Regardless, for the reasons set forth above,
21 at the very least, there are genuine issue of fact and NuVeda's request for summary judgment
22 must also be denied.

23 **C. This Court should appoint a Receiver over NuVeda, CWNV and CWNV1 for**
24 **the purpose of performing an accounting and enter a preliminary injunction prohibiting**
25 **the transfer of NuVeda's marijuana licenses, including but not limited to those that were to**
26 **have been transferred to CWNV (substituted with CWNV1).**

27 NuVeda preemptively seeks an order denying Plaintiffs' requested relief for a preliminary
28 injunction and for a receiver. By separate motion submitted to this Court on August 10, 2020,
Plaintiffs moved this Court for the appointment of a receiver for the purpose conducting an

1 accounting of NuVeda, CWNV, CWNV1, and their subsidiaries and affiliates. Plaintiffs also
2 requested the entry of a preliminary injunction prohibiting the transfer of NuVeda's marijuana
3 licenses, including but not limited to those that were to have been transferred to CWNV
4 (substituted with CWNV1). This Court approved the order shortening time on August 10, 2020
5 and scheduled the hearing for August 18, 2020. Plaintiffs adopt all of their arguments and
6 authority in the Motion for Preliminary Injunction and for Appointment of Receiver for NuVeda,
7 LLC; CWNV, LLC; and CWNV1, LLC on Order Shortening Time and incorporate the same
8 herein.

9 **II. Conclusion**

10 Based on the foregoing, Plaintiffs respectfully request that NuVeda's Motion to Dismiss
11 or for Summary Judgment be denied.

12 DATED this 10 day of August, 2020

13 MUSHKIN & COPPEDGE

14
15 
16 MICHAEL R. MUSHKIN, ESQ.
17 Nevada State Bar No. 2421
18 L. JOE COPPEDGE, ESQ.
19 Nevada State Bar No. 4954
20 6070 S. Eastern Avenue, Suite 270
21 Las Vegas, Nevada 89119

22 **CERTIFICATE OF SERVICE**

23 I hereby certify that the foregoing **Plaintiffs' Opposition to NuVeda, LLC's Motion to**
24 **Dismiss or for Summary Judgment** was submitted electronically for filing and/or service with
25 the Eighth Judicial District Court on this 10th day of August, 2020. Electronic service of the
26 foregoing document shall be upon all parties listed on the Odyssey eFileNV service contact list.

27 
28 An Employee of
MUSHKIN & COPPEDGE

EXHIBIT “1”

NUVEDA'S APPENDIX 0784

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12 *Attorneys for Plaintiffs*

13 **DISTRICT COURT**

14 **CLARK COUNTY, NEVADA**

15 NUVEDA, LLC, a Nevada Limited Liability
16 Company; and CWNEVADA LLC, a Nevada
17 Limited Liability Company,

18 Plaintiffs,

19 v.

20 4FRONT ADVISORS LLC, foreign limited
21 liability company, DOES I through X and
22 ROE ENTITIES, II through XX, inclusive,

23 Defendants.

Case No.: A-17-755479-B

Consolidated With: A-19-791405-C,
A-19-796300-B, and A-20-817363-B

Dept. No.: 11

24 AND RELATED MATTERS

25 **DECLARATION OF SHANE M. TERRY IN SUPPORT OF OPPOSITION TO**
26 **NUVEDA'S MOTION TO DISMISS OR FOR SUMMARY JUDGMENT**

27 SHANE M. TERRY, under penalty of perjury, states as follows:

28 1. I have personal knowledge of the facts stated herein, except for those facts stated
to be based upon information and belief. If called to do so, I would truthfully and competently
testify to the facts stated herein, except those facts stated to be based upon information and belief.

2. I make this Declaration in support of the Plaintiffs' Opposition to NuVeda's
Motion to Dismiss or for Summary Judgment (the "Opposition").

1 3. On or about July 9, 2014, I entered into an Operating Agreement for NuVeda, LLC
2 (the “NuVeda Operating Agreement”) with Pejman Bady (“Bady”), Pouya Mohajer (“Mohajer”)
3 and Jennifer Goldstein (“Goldstein”) to apply for and operate marijuana dispensaries, cultivation
4 and processing facilities for marijuana pursuant to licenses obtained from certain governmental
5 divisions.

6 4. The NuVeda Operating Agreement was also signed by Joseph Kennedy, John
7 Penders and Ryan Winmill.

8 5. Since NuVeda’s formation, I have been a Manager, Voting Member and at times,
9 NuVeda’s Chief Executive Officer and Chief Operations Officer.

10 6. Initially, I owned 21.5 percent of NuVeda and its subsidiaries, Clark NMSD, LLC
11 (“Clark NMSD”), Clark Natural Medicinal Solutions, LLC (“Clark Natural”), and Nye Natural
12 Medical Solutions, LLC (“Nye Natural”) (collectively the “Terry Interest”). My ownership
13 interest was later increased to 22.88%.

14 7. On or about November 20, 2015 under guidance of NuVeda’s corporate counsel
15 who was hired directly by Bady, Bady’s and Mohajer’s NuVeda interests were terminated
16 pursuant to Section 6.2 of the Operating Agreement.

17 8. However, Bady and Mohajer disregarded the expulsion and claimed they remained
18 Voting Members, Managers, and officers with authority to act on behalf of NuVeda.

19 9. Between November 20th, 2015 and December 3, 2015, Bady and Mohajer, acting
20 as purported representatives of NuVeda, attempted to sell NuVeda’s interests in its highly
21 valuable and privileged licenses to multiple parties, including CWNevada.

22 10. Over concerns that any attempted and unauthorized transfer of interest could
23 jeopardize NuVeda’s licenses, on December 3, 2015, Goldstein and I filed a complaint, as
24 individuals and on behalf of NuVeda in the District Court for Clark County, Nevada against Bady
25 and Mohajer as Case Number A-15-728510-B (the “District Court Action”), and
26 contemporaneously filed a Motion for a Preliminary Injunction requesting that the Court enjoin
27 any transfer of NuVeda’s membership interests.

28 11. The District Court Action sought, among other things, the issuance of a

1 preliminary and permanent injunction maintaining the status quo pending a final resolution of the
2 parties' disputes in an arbitral proceeding.

3 12. Although the District Court did not issue a preliminary injunction in the District
4 Court Action, on January 13, 2016, the Court ordered (the "January 13, 2016 Order"), among
5 other things, "IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pending the
6 completion of the contemplated arbitration, the parties are to take no further action to expulse
7 each other on the factual bases presented to the Court during the evidentiary hearing."

8 13. Goldstein and I commenced a private arbitration proceeding with the American
9 Arbitration Association against NuVeda, Bady and Mohajer captioned as *Terry, et al. v. NuVeda,*
10 *LLC, et al.*, AAA Case No. 01-15-005-8574 (the "Arbitration").

11 14. Notwithstanding the express language of the January 13, 2016 Order, in a March
12 10, 2016 meeting I attended, Bady called for a vote to expel me from NuVeda.

13 15. Bady, Mohajer and Kennedy voted in favor of the motion to expel me from
14 NuVeda in violation of the January 13, 2016 Order.

15 16. The purported expulsion was further documented in a meeting on or about
16 September 19, 2017, where the NuVeda Meeting Minutes indicate Terry's interest in NuVeda
17 was distributed to Bady and Mohajer.

18 17. NuVeda, Bady and Mohajer purportedly transferred my individual license interest
19 in NuVeda directly to Bady and Mohajer without my consent.

20 18. During the pendency of the District Court Action and Arbitration, on or about
21 April 30, 2018, I entered into a "Purchase and Sale Agreement for Terry's Ownership Interest in
22 NuVeda and NuVeda-Managed Licenses" (the "Terry Purchase Agreement") with BCP 7, as the
23 Buyer. A true and correct copy of the Terry Purchase Agreement is attached to the Opposition as
24 Exhibit 10.

25 19. Padgett personally guaranteed all payments and other performance obligations due
26 under the Terry Purchase Agreement.

27 20. The Terry Purchase Agreement provides, among other things, that I agreed to sell
28 the Terry Interest and BCP 7 agreed to purchase the Terry Interest for specified consideration and

1 on specific terms.

2 21. The total purchase price for BCP 7 to acquire the Terry Interest was \$1.75 million
3 (the "Purchase Price"), which was "substantially reduced" from fair market value.

4 22. The Purchase Price was payable as follows: (i) an initial payment of \$500,000.00
5 in good and payable U.S. funds to be paid to me on or before June 15, 2018 (the "Initial
6 Payment"), and (ii) monthly payments of the \$1.25 million balance due on or before June 15,
7 2028 with payments due monthly until paid in full (the "Monthly Payments").

8 23. The Monthly Payments were to be made on or before the first day of the month in
9 an amount not less than the interest accrued on the outstanding balance at an interest rate of 18%.

10 24. The Monthly Payments were to commence May 1, 2018, and the first payment
11 was to have been made no later than May 2, 2018.

12 25. The Terry Purchase Agreement further provided that there shall be acceleration of
13 the outstanding Balance and any unpaid accrued interest thereon upon (1) the sale or transfer of
14 the Terry Interest to a vehicle not owned by BCP 7, or any beneficial rights thereunder, from BCP
15 7 to a third party (other than CWNV, LLC); or (2) a default of a payment obligations, which shall
16 result from any failure to timely pay the Initial Down Payment or any Monthly Payments on the
17 Balance following notice of failure to Padgett and no cure within 10 business days thereof.

18 26. Upon execution of the Terry Purchase Agreement and upon receipt of the first
19 Monthly Payment, I agreed, among other things, to assign any and all claims and right in the
20 Arbitration and District Court Action to BCP 7.

21 27. BCP 7 made a partial payment toward the Initial Payment in the sum of
22 \$250,000.00 on or about August 1, 2018.

23 28. In addition to the partial Initial Payment, BCP 7 made partial interest and extension
24 payments.

25 29. However, BCP 7 failed to pay Initial Payment or Monthly Payments in full.

26 30. As a result of BCP 7's failure to pay the Initial Payment or any of the Monthly
27 Payments in full, I provided notice of and right to cure this failure to BCP 7 and Padgett.

28 31. BCP 7 and Padgett failed to cure the outstanding balance owed following notice

1 of such failure and a right to cure within 10 business days.

2 32. As a result of BCP 7's and Padgett's failure to pay the Initial Payment and Monthly
3 Payments in full, including the first Monthly Payment, there has not been a valid transfer of the
4 Terry Interest to BCP 7.

5 33. Notwithstanding the fact that the Terry Interest was never properly transferred to
6 BCP 7, in an email dated June 5, 2018 from Padgett to the arbitrator in the Arbitration, Padgett
7 purported to dismiss "all claims of myself, CWNevada, BCP Holdings 7, LLC and Shane Terry
8 (all right, title, and interest against Bady, Mohajer, and NuVeda and its subsidiaries (Clark
9 NMSD, Clark Natural Medicinal Solutions, and Nye Natural Medicinal Solutions) with
10 prejudice."

11 34. Not only did CWNevada never make or assert any claims related to the
12 Arbitration, the Padgett email clearly evidences a conspiracy between Padgett, NuVeda, Bady
13 and Mohajer to defraud me by having BCP purportedly purchase the Terry Interest, and then
14 immediately attempt to dismiss the claims in the Arbitration without BCP and Padgett paying the
15 agreed consideration.

16 I declare under penalty of perjury under that the foregoing is true and correct.

17 DATED this 10 day of August, 2020

18
19 Shane Terry
20 SHANE M. TERRY

EXHIBIT “2”

NUVEDA'S APPENDIX 0790

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DISTRICT COURT

CLARK COUNTY, NEVADA

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

Plaintiffs,

v.

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

Defendants.

Case No.: A-17-755479-B

Consolidated With: A-19-791405-C,
A-19-796300-B, and A-20-817363-B

Dept. No.: 11

AND RELATED MATTERS

**DECLARATION OF DOTAN Y. MELECH IN SUPPORT OF OPPOSITION TO
NUVEDA'S MOTION TO DISMISS OR FOR SUMMARY JUDGMENT**

DOTAN Y. MELECH, under penalty of perjury, states as follows:

1. I am the Court-appointed receiver over CWNevada, LLC ("CWNevada"). I have personal knowledge of the facts stated herein, except for those facts stated to be based upon information and belief. If called to do so, I would truthfully and competently testify to the facts stated herein, except those facts stated to be based upon information and belief.

2. I make this Declaration in support of Plaintiffs' Opposition to NuVeda's Motion

1 to Dismiss or for Summary Judgment (the “Opposition”).

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

9 4. I was also appointed as receiver over CWNevada in Eighth Judicial District Court
10 case number A-17-755479-B (the “Receivership Action”) by stipulation in open court on June
11 14, 2019 and the subsequent orders of the Court presiding over the Receivership Action
12 (“Receivership Court”) entered on June 26, 2019 (“Interim Receivership Order”) and July 10,
13 2019 (“Current Receivership Order”).

14 5. The Current Receivership Order provides in part:

15 Dotan Y. Melech (“Receiver”) is hereby appointed Receiver over CWNevada LLC
16 and all of its assets including, without limitation, all assets and rights related to any
17 subsidiary and affiliated entities (collectively “CWNevada”) in which CWNevada
18 has an ownership interest, including but not limited to CWNV LLC, with the
powers by this Order as follows:

19 1. The Receiver shall be the agent of the Court and shall be accountable
20 directly to this Court. This Court hereby asserts exclusive jurisdiction and takes
21 exclusive possession of all assets and property owned by, controlled by, or in the
22 name of CWNevada, including all assets, rights, contracts, monies, securities,
23 inventory, real property, personal property, tangible property and intangible
24 property, of whatever kind and description and wherever situated, including but not
25 limited to the following Nevada marijuana establishment licenses and the
26 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 “Receivership
Estate”).

27 See Current Receivership Order at §1 at p. 2.

28 6. In my role as Receiver over CWNevada, I have obtained and reviewed documents

1 related to CWNevada, NuVeda, and their related entities. Upon information and belief, the
2 documents attached to the Opposition as exhibits that are referenced herein are true and correct
3 copies.

4 7. NuVeda as “Transferor” along with Clark NMSD and Nye Natural and
5 CWNevada as “Transferee” and CWNV, LLC, a to be formed Nevada limited liability company
6 entered into a Membership Interest Purchase Agreement (the “MIPA”) effective as of December
7 6, 2015. See MIPA attached to the Opposition as Exhibit 5.

8 8. Among other things, the MIPA provides:

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

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

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

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

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

1 f. CWNevada agreed to cause to be formed a new manager-managed Nevada
2 limited liability company defined as “CWNV”.

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

7 h. The MIPA further provided in section 8.1 under Termination Events that
8 the MIPA may be terminated only by mutual agreement of NuVeda and CWNV, or if by
9 NuVeda,

10 upon the material breach by [CWNeVada] or CWNV of any covenant or
11 agreement contained herein, provided that such breach is not cured within
12 thirty (30) days of written notice by NuVeda that such breach has occurred,
13 or if such breach is not capable of cure within such thirty (30) day period,
that [CWNeVada] have taken action to commence a cure by such date and
is diligently pursuing the same; ...

14 9. On or about January 21, 2016, CWNevada and NuVeda caused CWNV to be
15 formed.

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

20 11. On or about March 22, 2016, CWNevada and NuVeda entered into an Operating
21 Agreement of CWNV, LLC (the “CWNV Operating Agreement”). See CWNV Operating
22 Agreement attached to the Opposition as Exhibit 6.

23 12. As set forth in the CWNV Operating Agreement, the initial members of CWNV
24 were CWNevada and NuVeda.

25 13. The initial managers of CWNV were Brian Padgett (“Padgett”), Pejman Bady
26 (“Bady”) and Jason Thompson.

27 14. The CWNV Operating Agreement listed CWNevada’s membership interest as
28 65% and NuVeda’s membership interest as 35%.

1 15. The CWNV Operating Agreement identified CWNevada's capital contribution as
2 "Full Construction Funding, Goods, Services, and Specified Debt Service."

3 16. Upon information and belief, CWNevada invested at least two million dollars into
4 CWNV to provide construction funding to build the Downtown Dispensary and the North Las
5 Vegas Dispensary.

6 17. The Downtown Dispensary opened in or about December 2016 and the North Las
7 Vegas Dispensary opened in or about January 2017 as a result of CWNevada's construction
8 funding.

9 18. The CWNV Operating Agreement identified NuVeda's capital contribution as
10 "Medical Marijuana Licenses as referenced in the [MIPA]."

11 19. On or about April 17, 2018, Nye Natural and Clark NMSD entered into a First
12 Purchase and Sale Agreement for Remaining 35% of Clark and Nye Licenses (the "First Purchase
13 Agreement"). See First Purchase Agreement attached to the Opposition as Exhibit 9.

14 20. The First Purchase Agreement provided, among other things, that in exchange for
15 NuVeda selling the remaining 35% of its interest in CWNV to CWNevada, CWNevada would
16 increase the consideration paid to NuVeda from that contemplated under the MIPA to a to a total
17 monthly payment of 2.625% of the gross sales of CWNevada, subject to a minimum payment of
18 \$235,870.00 per month.

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

27 22. CWNevada, NuVeda, Nye Natural and Clark NMSD entered into an Amendment
28 to Membership Interest Purchase Agreement (the "MIPA Amendment") dated July 2, 2018. See

1 MIPA Amendment attached to the Opposition as Exhibit 11.

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

5 24. All references to CWNV in the MIPA were replaced and substituted with
6 CWNV1.

7 25. The MIPA Amendment further provided that the parties agreed the Production
8 license, Reference # 91604693916166507699 would remain with Nye Natural.

9 26. On or about July 3, 2018, Amanda Connor, purportedly writing on behalf of Clark
10 NMSD, Nye Natural and CWNevada, submitted a request to a transfer of ownership request with
11 regards to the interest in the licenses with application IDs C166, D186 and D187 to the State of
12 Nevada. See correspondence dated July 3, 2018 attached to the Opposition as Exhibit 12.

13 27. However, it does not appear that this transfer of ownership request was ever
14 processed.

15 28. Then, on July 5, 2018, Clark NMSD, Nye Natural, Percelt, LLC (“Percelt”) and
16 CWNevada entered into a second Purchase and Sale Agreement for Remaining 35% of Clark and
17 Nye Licenses (the “Second Purchase Agreement”). See Second Purchase Agreement attached to
18 the Opposition as Exhibit 13.

19 29. The Second Purchase Agreement is substantively similar to the First Purchase
20 Agreement with the notable exception that payments are to be made to Percelt and CWNV1 is
21 substituted for CWNV.

22 30. The Second Purchase Agreement provides in part that in exchange for NuVeda
23 selling the remaining 35% of its interest in CWNV1 to CWNevada, CWNevada would increase
24 the consideration paid to Percelt from that contemplated under the MIPA to a to a total monthly
25 payment of 2.625% of the gross sales of CWNevada, subject to a minimum payment of
26 \$235,870.00 per month.

27 31. The Parties to the Second Purchase Agreement “acknowledge[d] that the joint
28 application for the transfer of ownership of the NuVeda Licenses to CWNV1 must be submitted

1 to the State of Nevada, Department of Taxation immediately for review and approval and the
2 Parties further acknowledge that the intent of the [First Purchase Agreement was] to effectuate a
3 100 percent ownership of the NuVeda Licenses in [CWNV1] and NuVeda owners shall then
4 remove themselves as listed owners of record on these licenses. If the transfer of the NuVeda
5 Licenses to CWNV is not completed within 45 days of submittal, payment to Percelt shall be held
6 in abeyance until the NuVeda Licenses transfer to CWNV1 ownership.”

7 32. Also on or about July 5, 2018, CWNevada, NuVeda, Nye Natural, Clark NMSD,
8 CWNV1, Percelt, LLC (“Percelt”) and 2113 Investors, LLC (“2113 Investors”) entered into an
9 Addendum to Purchases and Sale Agreement for the Remaining 35 Percent of the Clark and Nye
10 Licenses (“April 17, 2018 Agreement”) (the “July 5, 2018 Addendum”). See July 5, 2018
11 Addendum attached to the Opposition as Exhibit 14.

12 33. The July 5, 2018 Addendum provides, among other things, that the MIPA
13 contemplated the transfer of 100% of Nye Natural to CWNV1. Subsequently, the parties agreed
14 that the Nye Natural Production license, Reference # 91604693916166507699 would remain with
15 Nye Natural.

16 34. The partnership between CWNevada and NuVeda remained intact until an
17 arbitration award was entered in favor of 4Front Advisor’s LLC (“4Front”) on or about November
18 27, 2018 against CWNevada in the sum of \$4,987,092.09 and against NuVeda in the sum of
19 \$3,741,803.92.

20 35. The 4Front arbitration award was confirmed as a final judgment on or about March
21 14, 2019. See Order Granting Defendant’s Opposition to Confirm Arbitration Award and Request
22 to Enter Judgment -and- Final Judgment attached to the Opposition as Exhibit 15.

23 36. During the arbitration with 4Front, CWNevada and NuVeda entered into a
24 Stipulation of Uncontested Facts dated November 2, 2018 (the “Stipulation”) with 4Front, which
25 among other things, provided that “[t]he Membership Interest Purchase Agreement (“MIPA”) [J-
26 249] was executed on December 6, 2015” and ... “is still in effect.” See Stipulation of
27 Uncontested Facts attached to the Opposition as Exhibit 16.

28 37. The Stipulation further provided that neither NuVeda nor CWNevada had

1 “breached the MIPA.”

2 38. Bady, acting without authority and contrary to the provisions of the CWNV
3 Operating Agreement, purportedly dissolved CWNV on or about May 17, 2019. See Dissolution
4 of Limited-Liability Company attached to the Opposition as Exhibit 17.

5 39. However, at the time of the purported dissolution, Bady was not and had not been
6 a manager of CWNV since February 7, 2018.

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

10 41. Upon information and belief, CWNevada did not enter any written agreement for
11 the dissolution of CWNV.

12 42. Since the purported dissolution, Bady and NuVeda has represented that NuVeda
13 is serving in the role as trustee over CWNV.

14 43. In that self-appointed role, NuVeda and Bady have breached the terms of the
15 CWNV Operating Agreement by, among other things,

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

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

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

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

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

24 44. Upon information and belief, CWNV1 has also been dissolved.

25 45. To the best of my knowledge, NuVeda has not provide CWNevada or CWNV with
26 a notice of material breach of the MIPA and right to cure.

27 46. CWNevada is presently operating dispensaries at a net profit and has access to all
28 necessary facilities and has the ability to perform under the MIPA.

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I declare under penalty of perjury under that the foregoing is true and correct.

DATED this 10 day of August, 2020


DOTAN Y. MELECH, RECEIVER

EXHIBIT “3”

NUVEDA'S APPENDIX 0800

NuVeda, LLC

Operating Agreement

July 9, 2014

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.

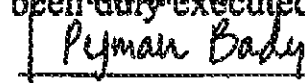
12.12 Jurisdiction and Venue/Equitable Remedies. The Company and each Member hereby expressly agrees that if, under any circumstances, any dispute or controversy arising out of or relating to or in any way connected with this Agreement shall, notwithstanding Article XI, be the subject of any court action 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.

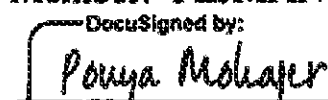
12.13 Authority. This Agreement constitutes a legal, valid and binding agreement of the Member, enforceable against the Member in accordance with its terms. The Member is

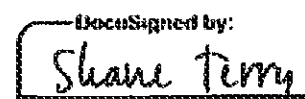
empowered and duly authorized to enter into this Agreement (including the power of attorney herein) under every applicable governing document, partnership agreement, trust instrument, pension plan, charter, certificate of incorporation, bylaw provision or the like. The Person, if any, signing this Agreement 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.

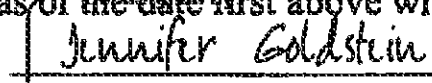

Member: PEYMAN BADY

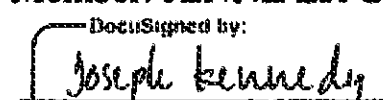
DocuSigned by:

Member: POUYA MOHAJER

DocuSigned by:

Member: SHANE TERRY

DocuSigned by:

Member: RYAN WINMILL


Member: JENNIFER GOLDSTEIN

DocuSigned by:

Member: JOSEPH KENNEDY

Member: JOHN PENDERS

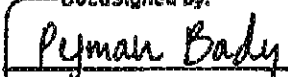
NUVEDA, LLC

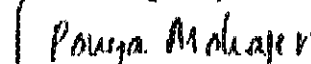
LISTING OF MEMBERS

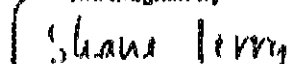
NAME:	ADDRESS:	PERCENTAGE INTERESTS VOTING/OWNERSHIP INTERESTS/DISTRIBUTION:
Pejman Bady	PO Box 6255 Pahrump, NV 89041	46.5%/46.5%/38%
Pouya Mohajer	2700 Las Vegas Blvd. #2709 Las Vegas, NV 89109	21%/21%/25.25%
Shane Terry	4575 Dean Martin Drive #1401 Las Vegas, NV 89103	21%/21%/25.25%
Jennifer Goldstein	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%

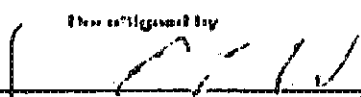
*Nondilutable interests once vested. As if this writing, the Ownership, Voting and Distribution Shares of Goldstein, Kennedy, Winmill and Penders are designated as Nondilutable

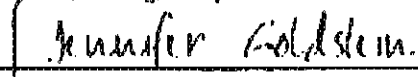
Member Listing as of this 16th day of July, 2014

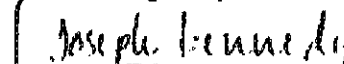
DocuSigned by:

 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:
STW
Member: SHANE TERRY

DocuSigned by:
STW
Member: SHANE TERRY

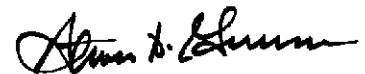
DocuSigned by:
Jennifer Goldstein
Member: JENNIFER GOLDSTEIN

DocuSigned by:
Joseph Kennedy
Member: JOSEPH KENNEDY

Member: JOHN PENDERS

EXHIBIT “4”

NUVEDA'S APPENDIX 0825



CLERK OF THE COURT

1 **FFCL**

4 **DISTRICT COURT**

5 **CLARK COUNTY, NEVADA**

6 NUVEDA, LLC, a Nevada limited
7 liability company; SHANE M. TERRY, a
8 Nevada resident; and JENNIFER M.
9 GOLDSTEIN, a Nevada resident;

9 Plaintiffs,

10 v.

11 PEJMAN BADY; POUYA MOHAJER;
12 DOE Individuals I-X and ROE Entities I-
13 X, inclusive;

13 Defendants.

CASE NO.: A-15-728510-B
DEPT. NO.: XI

**FINDINGS OF FACT AND CONCLUSIONS
OF LAW DENYING PLAINTIFFS'
MOTION FOR PRELIMINARY
INJUNCTION, DENYING DEFENDANT'S
COUNTERMOTION FOR PRELIMINARY
INJUNCTION AND JOINDER, AND
ENTERING PROVISIONAL REMEDY
PURSUANT TO N.R.S. 38.222**

**Hearing Date: December 28, 2015 and
January 6 - 8, 2016**

14 This matter having come on for an evidentiary hearing related to Plaintiffs' Motion for
15 Preliminary Injunction (the "Motion") and Defendant Bady's Countermotion for Preliminary
16 Injunction (the "Countermotion") before the Court on December 28, 2015 and January 6 - 8,
17 2016.¹ Plaintiffs Terry and Goldstein appeared individually and as representatives of NuVeda,
18 LLC² by and through their counsel of record Erika Pike Turner of the law firm of GARMAN
19 TURNER GORDON; Defendant Bady appeared individually and by and through his counsel of
20 record Vincent Aiello and Matthew Dushoff of the law firm of KOLESAR & LEATHAM; and
21 Defendant Mohajer appeared individually and by and through its counsel of record A. William
22 Maupin and John Naylor of the law firm MAUPIN NAYLOR BRASTER; the Court having read and
23 considered the pleadings filed by the parties; having reviewed the evidence admitted during the
24

26 ¹ In addition, Mohajer requested a provisional remedy under NRS 38.222 be made on the
27 pending issues.

28 ² The complaint alleges that they are representing NuVeda on any derivative claims.

1 evidentiary hearing; and having heard and carefully considered the testimony of the witnesses
2 called to testify; the Court having considered the oral and written arguments of counsel, and with
3 the intent of deciding the limited issues before the Court related to the Motion and
4 Countermotion.³ The Court makes the following findings of fact and conclusions of law:

5
6 **FINDINGS OF FACT**

7 1. On July 9, 2014, the parties entered into an Operating Agreement for NuVeda,
8 LLC ("NuVeda")⁴ to operate dispensaries, cultivation and processing facilities for medical
9 marijuana ("MME") pursuant to licenses obtained from certain political subdivisions.

10 2. Certain disputes have arisen between the parties over the existence and vesting of
11 certain membership interests, management and control of NuVeda.

12 3. Plaintiffs have alleged that Defendants acted "in concert" in certain actions that
13 they allege are "self dealing".
14

15 4. Section 6.2 of the Operating Agreement permits the expulsion of a member under
16 certain conditions.⁵
17

18 ³ The findings made in this Order are preliminary in nature based upon the limited evidence
19 presented after very limited exchange of documents and may be modified based upon additional
evidence presented to the Court at the ultimate trial (or arbitration) of this matter.

20 ⁴ NuVeda LLC and its subsidiaries are referred to as "NuVeda" collectively for purposes of
21 this decision.

22 ⁵ The Operating Agreement at Section 6.2 provides:

23 A Member's interest in the Company may be terminated or expelled only upon agreement
24 of the Disinterested Voting Members by a vote of 60% or more of Disinterested Voting
25 Interests. Expulsion may only be made by a majority vote of 60% or more of the
26 Disinterested Voting Interests that the expelled member was not acting in the best interest
27 of the Company or was otherwise acting in a manner that was contrary to the purpose of
28 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

1 5. In late November 2015, without a meeting,⁶ Plaintiffs and certain other members
2 attempted expulsion by written consent of both Defendants. Issues have arisen about the
3 methodology used by Plaintiffs to calculate the Disinterested Voting Interests.

4 6. In retaliation, the following week, without a meeting, Defendants and certain other
5 members attempted expulsion by written consent of both Plaintiffs. Issues have arisen about the
6 basis used by Defendants as the basis for the expulsion of Plaintiffs.

7 7. The activities of Bady and Mohajer alleged by Plaintiffs to permit the aggregation
8 of the Disinterested Voting Interests do not rise to the level of a conspiracy as argued by Plaintiff.

9 8. The activities of Plaintiffs in attempting to expulse Defendants do not constitute
10 activities which would permit the expulsion of Plaintiffs.

11 9. On November 18, 2015, at a meeting of NuVeda, where Plaintiffs were present,
12 the transaction with CW was discussed.

13 10. In early December 2015, the majority of membership interest approved a
14 transaction with CW which results in the transfer of certain assets but retains the membership
15 interest held currently by NuVeda members in NuVeda. At the time of the evidentiary hearing,
16 not all of the documents for the CW transaction had been finalized.

17 11. If any finding of fact is properly a conclusion of law, it shall be treated as if
18 appropriately identified and designated.

19
20
21
22 Members would be all Members other than Member A, and the vote would require 60% of
23 the 80% Disinterested Voting Interests to carry. In order to terminate a Member's interest
24 a meeting of the Voting Members must be held in accordance with the provisions of
25 Section 4.3.

26 ⁶ Section 4.3 provides in pertinent part:

27 No regular, annual, special or other meetings of Voting Members are required to be held.
28 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. . . .

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1 21. However, since additional actions need to be taken by NuVeda to finalize the
2 transaction, the Court declines to grant the Countermotion as all members should have an
3 opportunity to have input on the remaining documents to finalize the CW transaction.

4 22. A security bond is not required for the Court's provisional remedy.

5 23. If any conclusion of law is properly a finding of fact, it shall be treated as if
6 appropriately identified and designated.
7

8 **ORDER**

9 THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the
10 Motion and Countermotion are denied.

11 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pending the
12 completion of the contemplated arbitration, the parties are to take no further action to expulse
13 each other on the factual basis presented to the Court during the evidentiary hearing.
14

15 IT IS FURTHER ORDERED that the request to seal these proceedings is denied.

16 Dated this 13th day of January, 2016.

17
18 
19 DISTRICT COURT JUDGE
20

21 **Certificate of Service**

22 I hereby certify, that on the date filed, this Order was served on the parties identified on
23 Wiznet's e-service list.
24


25 
26 Dan Kutinac
27
28

EXHIBIT “5”

NUVEDA'S APPENDIX 0831

MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT (this "Agreement") is made as of December 6, 2015 (the "Effective Date"), by and among CWNEVADA, LLC, a Nevada limited liability company (the "Transferee" or "CW"), CWNV, LLC, a to-be-formed Nevada limited liability company ("CWNV"), NuVeda LLC, a Nevada limited liability company (the "Transferor" or "NuVeda"), Clark NMSD LLC, a Nevada limited liability company ("Clark"), and Nye Natural Medicinal Solutions LLC, a Nevada limited liability company ("Nye").

RECITALS:

WHEREAS, NuVeda owns One Hundred Percent (100%) of the membership interests in Clark; and

WHEREAS, NuVeda owns One Hundred Percent (100%) of the membership interests in Nye, subject to the disclosure set forth in Section 2.1 below; and

WHEREAS, Clark has been issued the following provisional Medical Marijuana Establishment Certificates (as such term is defined in Nevada Revised Statutes ("NRS"), Chapter 453A):

- (i) Application Identifier No. D186, Reference #: 25025985357868237824 ("Dispensary 1") and issued by the State of Nevada Division of Public and Behavioral Health (the "Division"), for the dispensing of medical marijuana at a dispensary located at 1320 S. 3rd Street, Las Vegas, NV 89104 and more particularly described as Assessor's Parcel Number 162-03-110-137 (the "Dispensary 1 Property"); and
- (ii) Application Identifier No. D187, Reference #: 94090342955467020377 ("Dispensary 2") and issued by the Division for the dispensing of medical marijuana at a dispensary located at 2113 N. Las Vegas Blvd., North Las Vegas, NV 89030 and more particularly described as Assessor's Parcel Number 139-23-201-006 (the "Dispensary 2 Property"); and

WHEREAS, Nye has been issued the following provisional Medical Marijuana Establishment Certificates (as such term is defined in Nevada Revised Statutes ("NRS"), Chapter 453A):

- (i) Application Identifier No. C166, Reference #: 40733091629454751109 ("Cultivation") and issued by the Division, for the cultivation of medical marijuana at a cultivation facility at 2801 E. Thousandaire Blvd., Pahrump, NV 89048 and more particularly described as Assessor's Parcel Number 044-561-16 (the "C&P Property" and, collectively with the Dispensary 1 Property and the Dispensary 2 Property, the "Properties" and, each individually, a "Property"); and

- (ii) Application Identifier No. P107, Reference #: 91604693916166507699 ("Production") and issued by the Division, for the production of medical marijuana products at a production facility located at the C&P Property (all of the foregoing listed Medical Marijuana Certificates shall be collectively referred to herein as the "Certificates" or the "Licenses"); and

WHEREAS, specifically subject to all required state and local approvals from the State of Nevada, Clark County, and Nye County (collectively, the "Transfer Approvals"), Transferee desires to purchase and NuVeda desires to sell to Transferee 100% of the membership interests in Clark and Nye, on the terms and conditions set forth in this Agreement.

AGREEMENT

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

SECTION 1

Purchase and Sale of Interests

1.1 Purchase and Sale of Interests. Subject to the terms and conditions of this Agreement, the Transferee shall purchase, and Transferor shall sell, 100% of the membership interests owned by Transferor in Clark and Nye, for the following consideration:

(a) Transferee shall cause to be formed a new manager-managed Nevada limited liability company, defined as "CWNV" herein, pursuant to the filing of Articles of Organization with the Nevada Secretary of State in a form mutually acceptable to NuVeda and CW (the "Articles"). Upon the formation of CWNV, Transferee shall designate CWNV as its nominee hereunder and, despite such designation of CWNV as nominee hereunder, CW and CWNV shall thereafter be jointly and severally responsible for all obligations of CWNV under this Agreement;

(b) Upon the formation of CWNV, CWNV shall be owned as follows: (i) thirty-five percent (35%) of the issued and outstanding membership interests in CWNV shall be issued and owned by NuVeda; and (ii) sixty-five percent (65%) of the issued and outstanding membership interests in CWNV shall be issued and owned by CW. Upon the formation of CWNV, a membership interest/manager ledger for CWNV shall be duly executed by both NuVeda and CW as members of CWNV and setting forth the membership interests and managers of CWNV (the "Ledger").

(c) Upon the formation of CWNV and to be further described in the operating agreement for CWNV (the "Operating Agreement"), CWNV shall have a Board of Managers consisting of three (3) individuals (the "Board"). For so long as NuVeda or its permitted assignee under the terms of the Operating Agreement is a member of CWNV, NuVeda shall be entitled to select one (1) individual to serve as a member of the Board. In the event the Board is increased in accordance with the terms of the Operating Agreement in the future, and which can only be increased to an odd number of managers and never decreased below three (3) managers, NuVeda shall have the right to

appoint the requisite number of managers constituting just less than a majority of the managers for so long as NuVeda or its permitted assignee is a member of CWNV.

(d) Immediately after the formation of CWNV and execution of the Ledger, NuVeda and CW shall commence good faith negotiations and use each of their best efforts to finalize and execute a mutually agreeable Operating Agreement with terms and provisions customary to an operating agreement of a limited liability company and which will include, without limitation, the following provisions:

- (i) The unanimous approval of all members for the admission of a new member to CWNV; the sale of all or substantially all of the assets of CWNV; and the dissolution of CWNV.
- (ii) Restrictions on transfer of membership interests in CWNV, including, without limitation, rights of first refusal to CWNV and the members but subject to customary permitted transfers;
- (iii) The approval of a majority of the members in CWNV to authorize and effectuate customary "major decisions" including, without limitation, mergers, conversions, exchanges or similar reorganizations that are in the best interest of CWNV;
- (iv) The requirement to provide monthly financial statements to the members of CWNV; and
- (v) The requirement to obtain and maintain necessary insurance policies, including, without limitation, general liability covering the operations of CWNV.

(e) Commencing as of the Effective Date, CW shall commence funding, and paying for, one hundred percent (100%) of: (i) all necessary tenant improvements, furniture, fixtures, equipment, and fees and expenses relating thereto, for the development of the facilities on the Properties and all matters relating thereto in the manner and as further described on Schedule 1 attached hereto and incorporated herein by this reference (collectively, the "Tenant Improvements"), (ii) all fees and expenses to effectuate the transfer and obtain the Transfer Approvals, and (iii) sufficient working capital for the operation of the businesses of Clark and Nye.

SECTION 2

State and Local Approvals; Cooperation; Coordination; Requirements

2.1 **State and Local Approval.** CWNV shall use its best efforts to obtain all Transfer Approvals, including from the Division and from Clark County and Nye County (collectively, the "Counties" and, each individually, a "County"). At the direction of CW and as soon as is practicable after the Effective Date, CWNV shall submit to the Division and the Counties all applications, supporting materials, fees and other documents which are necessary for consideration by the applicable Governmental Authority. If either (i) the Division or a County denies CWNV's request for approval of the transfer of the membership interests to CWNV pursuant to the terms herein, then the parties hereto shall continue to work together in good faith to obtain the Transfer Approvals in accordance with all applicable legal requirements, and, upon CWNV obtaining same, the parties agree to reasonably work together to negotiate in good faith and execute any required assignment or

redemption documents or amendments to the Operating Agreement necessary to effectuate the transactions contemplated herein, if any, but continuing to preserve the material terms and proposed economics herein. Notwithstanding anything contained herein to the contrary, CW acknowledges and understands that at the time of the filing of the initial applications with the applicable Governmental Authorities by NuVeda in an effort to obtain approval for the licenses and certificates of Nye, Mr. Phil Ivey, individually ("Ivey"), was listed as a three percent (3%) owner of Nye. In the event of any issues with respect to any alleged ownership interest in Nye by Ivey, including, without limitation, obtaining the Transfer Approvals, NuVeda and CW shall use best efforts to remedy such issues with Ivey and the applicable Governmental Authorities in order to effectuate the transactions described herein.

2.2 **Cooperation; Coordination of Tenant Improvements.** NuVeda will, whenever and as often as it shall be requested to do so by CWNV, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any and all such further conveyances, assignments, approvals, consents and any and all other documents and do any and all other acts as may be necessary to carry out the intent and purpose of this Agreement or as necessary to construct the Tenant Improvements. In connection with the above, as time is of the essence, immediately following the execution and delivery of this Agreement by the parties hereto, and subject to the reasonable notice and approval by NuVeda of all plans and contracts (approval of which shall not be unreasonably withheld), CWNV hereby covenants and agrees, at no cost to NuVeda, to hire qualified contractors and other professionals and procure and maintain the necessary insurance policies in connection with the Tenant Improvements and to prepare plans, submit plans to the Government Authorities for approvals and permitting and to diligently proceed with construction of all Tenant Improvements necessary to open for business in accordance with the timeline described in Schedule 1 and incorporated herein by this reference (the "Timeline"). CWNV further covenants and agrees that it will take all such action as is necessary via best efforts to maintain the Licenses in good standing at all times.

2.3 **NRS Chapter 453A Changes.** The parties acknowledge that revisions to NRS Chapter 453A have been adopted by the Nevada legislature and that new Administrative Regulations have been promulgated in connection therewith. The parties also acknowledge that the Division promulgated a Policy, effective on November 11, 2015, that provides specific procedures for the transfer of ownership interests in an entity with a Medical Marijuana Establishment Certificate. Accordingly, the parties agree to cooperate as the legislative and regulatory changes go into effect and agree to work together in good faith to restructure the transactions contemplated herein, if necessary, but continuing to preserve the material terms and proposed economics herein, as the changes go into effect and new regulations or policies are promulgated in connection therewith.

2.4 **NRS Sections 108.2403 and 108.2407.** Pursuant to NRS Section 108.234, NuVeda hereby informs CWNV that when CWNV undertakes the Tenant Improvements, CWNV must comply with the requirements of NRS Sections 108.2403 and 108.2407. CWNV shall take all actions necessary under Nevada law to ensure that no liens encumbering Clark's and Nye's interest in each's respective facilities arise as a result of the construction of the Tenant Improvements.

2.5 **No Liens.** CWNV shall not permit mechanic's or other liens to be placed upon Clark's or Nye's facilities in connection with any work or service done or purportedly done by or for the benefit of CWNV, including, without limitation, the construction of the Tenant Improvements. If a lien is so placed, CWNV shall, within ten (10) days of notice from Clark or Nye of the filing of the



lien, fully discharge the lien by settling the claim which resulted in the lien or by bonding or insuring over the lien in the manner prescribed by the applicable lien law.

2.6 **Indemnity.** CWNV shall indemnify and hold NuVeda, its trustees, affiliates, subsidiaries, members, managers, principals, beneficiaries, partners, officers, directors, shareholders, employees, agents, successors and assigns (collectively, "NuVeda Parties") harmless from, and indemnify and defend such parties against, all liabilities, obligations, damages, penalties, claims, actions, costs, charges and expenses, including reasonable attorneys' fees and other professional fees that may be imposed upon, incurred by or asserted against any of the NuVeda Parties (each a "Claim" and collectively "Claims") that arise out of the presence, use, construction or repair of the Tenant Improvements and the Clark or Nye facilities by CWNV or any of CWNV's employees, agents or invitees or any act or omission of CWNV or any of CWNV's employees, agents or invitees in those facilities.

2.7 **Assumption of Risk.** CWNV hereby acknowledges and agrees that it assumes all risk by entering the Clark and Nye facilities and hereby fully releases NuVeda of all Claims arising under or relating to the presence of CWNV or any of its officers, managers, members, agents, representatives, or contractors at those facilities and on the Properties.

SECTION 3

Payment of Contractual Costs

3.1 **Operating and Improvement Costs.** As of the Effective Date, and not including the Debt of NuVeda under and defined in Section 9.1(q) below, CWNV shall pay, or reimburse NuVeda for, as applicable, all costs and expenses incurred by NuVeda on and after the Effective Date under contracts in effect as of the Effective Date; provided, however, that CWNV shall have the right to reject any such contracts at no cost to CWNV, but not including any contract with 4Front Consultants existing as of the Effective Date which is not subject to rejection by CWNV, by written notice to NuVeda, Clark and Nye on or before the thirtieth (30th) business day following the Effective Date, and NuVeda shall satisfy any remaining obligations under such rejected contracts, if any, and CWNV shall have no liability therefor.

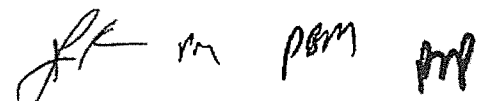
SECTION 4

General Representations and Warranties of NuVeda

NuVeda hereby represents and warrants to CWNV as follows:

4.1 **Organization and Standing.** NuVeda is a limited liability company duly organized, validly existing under and in good standing under the Laws of the State of Nevada.

4.2 **Legal Power.** NuVeda has the limited liability company power and authority to execute and deliver this Agreement and to carry out and perform its obligations under the terms of this Agreement.

Handwritten signatures and initials in black ink, including what appears to be 'JK', 'm', 'pbm', and 'm'.

4.3 **Unencumbered Member Interests.** The membership interests in Clark and Nye are owned by NuVeda free of any claims, liens and encumbrances and there are no options, warrants or other rights to purchase any of NuVeda's membership interests in Clark and Nye, other than pursuant to the transactions contemplated herein.

4.4 **License.** NuVeda has delivered to CWNV a true, correct and complete copy of the Licenses and all applications relating thereto. NuVeda has not received any written notice that NuVeda, Clark or Nye are in default under any of the licenses.

4.5 **Real Property Rights.** NuVeda has delivered true, correct and complete copies of all deeds, documents, leases (including all addendums and amendments thereof), relating to the rights of Clark and Nye to occupy its respective Property and operate its businesses to CWNV. Those rights are in full force and effect, without any default thereunder.

4.6 **Authorization.** All limited liability actions on the part of NuVeda, its managers and its members necessary for the authorization, execution, delivery and performance of this Agreement by NuVeda, and the performance of all of NuVeda's obligations under this Agreement have been taken. This Agreement, when executed and delivered by NuVeda, shall constitute the valid and binding obligation of NuVeda, enforceable in accordance with its terms.

4.7 **Compliance with Other Instruments.** NuVeda is not in violation of any material term of its Articles of Organization or NuVeda's Operating Agreement, each as executed and amended on or before the Effective Date. The execution, delivery and performance of and compliance with this Agreement, and the issuance of membership interests to CWNV will not result in any material violation of, or conflict with, or constitute a default under, NuVeda's Articles of Organization, NuVeda's Operating Agreement, or any contracts under which it is bound.

4.8 **Governmental Consent.** No consent, approval, authorization, order, filing, registration or qualification of or with any court, Governmental Authority or third person, other than the Division and the Counties, on the part of NuVeda is required in connection with the execution and delivery of this Agreement, the performance of NuVeda's obligations hereunder, or the consummation of any other transaction contemplated by this Agreement, except for the approvals required under applicable state and local Laws, including, without limitation, the approval of any provisions License extensions, the applications of which are due to the applicable Governmental Authorities no later than December 15, 2015.

4.9 **Adoption of Recitals.** NuVeda adopts and incorporates by reference herein all of the recitals to this Agreement, insofar as those recitals apply to it and the membership interests in Clark and Nye.

SECTION 5

General Representations and Warranties of CWNV

CW and CWNV hereby represent and warrant to NuVeda as follows:

5.1 **Formation.** CW is, and CWNV will be, duly formed, validly existing and in good standing under the Laws of the State of Nevada.

5.2 **Legal Power and Capacity.** CW and CWNV have the power and authority and, as applicable, the legal capacity to execute and deliver this Agreement and to carry out and perform its obligations under the terms of this Agreement.

5.3 **Authorization.** All actions on the part of CW and CWNV necessary for the authorization, execution, delivery and performance of this Agreement by each of them, and the performance of all of CW and CWNV's obligations under this Agreement have been taken. This Agreement, when executed and delivered by CW and CWNV, shall constitute the valid and binding obligation of each of them enforceable in accordance with its terms.

5.4 **Compliance with Other Instruments.** The execution, delivery and performance by CW and CWNV of this Agreement, and the consummation of the transactions contemplated hereby do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the articles, operating agreement or other organizational documents of CW or CWNV; (b) conflict with or result in a violation or breach of any provision of any Law or governmental order applicable to CW or CWNV; or (c) require the consent, notice or other action by any person under any agreement to which CW or CWNV is a party.

5.5 **Governmental Consent.** No consent, approval, authorization, order, filing, registration or qualification of or with any court, Governmental Authority or third person on the part of CW or CWNV is required in connection with the execution and delivery of this Agreement, the performance of CW and CWNV's obligations hereunder, or the consummation of any other transaction contemplated by this Agreement, except for the approvals required under applicable state and local Laws.

5.6 **Adoption of Recitals.** CW and CWNV adopt and incorporate by reference herein all of the recitals to this Agreement, insofar as those recitals apply to them.

SECTION 6

Survival; Indemnification

6.1 **Survival.** The representations and warranties of NuVeda, CW and CWNV contained in this Agreement will survive the Closing until the date that is twelve (12) months following the date upon which the Transfer Approvals are obtained.

6.2 **NuVeda Indemnification.** NuVeda indemnifies CW and CWNV in respect of, and holds each of them harmless from and against, any and all losses, damages, liabilities and expenses suffered, incurred or sustained by any of them or to which any of them becomes subject, resulting from, arising out of or relating to any breach of representation or warranty by NuVeda or nonfulfillment of failure to perform any covenant or agreement by NuVeda contained in this Agreement (determined in all cases as if the terms "material" or "materially" were not included therein).

6.3 **CW and CWNV Indemnification.** CW and CWNV, jointly and severally, indemnify NuVeda in respect of, and hold it harmless from and against, any and all losses suffered, incurred or sustained by it or to which it becomes subject, resulting from, arising out of or relating to

JKM *PRM* *MP*

any breach of representation or warranty of CW or CWNV or nonfulfillment of or failure to perform any covenant or agreement by CW or CWNV contained in this Agreement (determined in all cases as if the terms "material" or "materially" were not included therein).

6.4 The indemnity provisions contained in Sections 6.2 and 6.3 shall survive for a period of twelve (12) months following the date upon which the Transfer Approvals are obtained.

SECTION 7

Conditions to Closing

7.1 **Conditions to Obligations of NuVeda.** The obligations of NuVeda to consummate any of the transactions contemplated in this Agreement shall be subject to the fulfillment or waiver, at or prior to the Closing (such date being referred to, respectively, as the "Closing Date" or "Closing"), of each of the following conditions:

(a) The representations and warranties of CW and CWNV contained in this Agreement and any certificate or other writing delivered pursuant hereto shall be true and correct in all material respects on the Closing Date with the same effect as though made at and as of such date.

(b) CWNV shall have obtained all required Transfer Approvals, including from the Division and, to the extent required, the Counties.

(c) CW and CWNV shall have duly performed and complied with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(d) No injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits any material transaction contemplated hereby.

(e) CWNV shall have delivered to NuVeda such other documents or instruments as NuVeda reasonably requests.

7.2 **Conditions to Obligations of CW and CWNV.** The obligations of CW and CWNV to consummate any of the transactions contemplated in this Agreement shall be subject to the fulfillment or waiver, at or prior to the Closing (such date being referred to, respectively, as the "Closing Date"), of each of the following conditions:

(a) The representations and warranties of NuVeda contained in this Agreement and any certificate or other writing delivered pursuant hereto shall be true and correct in all material respects on the Closing Date with the same effect as though made at and as of such date.

(b) CWNV shall have obtained all required Transfer Approvals, including from the Division and, to the extent required, the Counties.

JK RM PBM MP

(c) NuVeda shall have duly performed and complied with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(d) No injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits any material transaction contemplated hereby.

(e) NuVeda shall have delivered to CW and CWNV such other documents or instruments as CW and CWNV reasonably request.

SECTION 8

Termination

8.1 **Termination Events.** The parties hereby agree that this Agreement may be terminated upon the earliest to occur of the following:

(a) The mutual written agreement of NuVeda and CWNV;

(b) By NuVeda upon the material breach by CW or CWNV of any covenant or agreement contained herein, provided that such breach is not cured within thirty (30) days of written notice by NuVeda that such a breach has occurred, or if such breach is not capable of cure within such thirty (30) day period, that CW and CWNV have taken action to commence a cure by such date and is diligently pursuing the same; or

(c) By CW or CWNV upon the material breach by NuVeda of any covenant or agreement contained herein, provided that such breach is not cured within thirty (30) days of written notice by CWNV that such a breach has occurred, or if such breach is not capable of cure within such thirty (30) day period, that NuVeda has taken action to commence a cure by such date and is diligently pursuing the same.

8.2 **CWNV Remedies for NuVeda Default.** Notwithstanding any other provision in this Agreement to the contrary, upon the occurrence of a material breach or default of this Agreement by, NuVeda, CW and/or CWNV shall be entitled to any and all rights and remedies in law or in equity including, but not limited to, return of all CW capital investments at a rate of 16% interest per annum should the NuVeda majority owners lose control of NuVeda to NuVeda minority owners.

8.3 **NuVeda Remedies for CW and CWNV Breach or Default.** Notwithstanding any other provision in this Agreement to the contrary, upon the occurrence of a material breach or default of this Agreement by CW and/or CWNV, NuVeda shall be entitled to any and all rights and remedies in law or in equity.

[Handwritten signatures: JKM, PBM, and others]

SECTION 9

OPERATIONS COMMENCING ON THE EFFECTIVE DATE

9.1 **CWNV Duties.** Commencing on the Effective Date, CWNV will develop, manage, operate and promote the facilities and shall be charged with the duties to protect the licenses and maximize profits and the overall value and goodwill of the facilities. The management of the facilities will include, but not necessarily be limited to, the following services absent any management fee paid to CWNV or its managers:

- a. Oversight and management of the day-to-day commercial operations of the facilities;
- b. Oversight and management of the development, interior design and construction of the facilities;
- c. Implementation, oversight and management of SOPs, aesthetics, and general practices consistent with the other facilities of CW and CWNV;
- d. Hiring and management of all facilities personnel and management of all HR matters;
- e. Procurement of all inventories, supplies and services;
- f. Identification, procurement, installation and operation of all operating systems (e.g., inventory management, POS, security, regulatory compliance, HR, etc.);
- g. Advertising, marketing, signage and promotion;
- h. Risk-mitigation, and oversight and management of third-party security and regulatory compliance companies;
- i. Consumer and product-preference tracking and analysis;
- j. Establishment and management of a customer loyalty and/or membership program;
- k. Development and management of a delivery service program;
- l. Development and implementation of an annual business plan and budget, which shall serve as the basis for mutually agreed-upon performance goals and targets;
- m. Reporting, and records management and retention;
- n. Procurement and management of insurance;
- o. General maintenance, upkeep, and improvement of the subject property, as applicable; and
- p. Oversight and management of any other responsibilities appurtenant to the successful operation of the facilities.
- q. The debt of NuVeda due and outstanding as of the Effective Date is not more than \$2,182,130.00. CW shall be responsible for resolving up to \$1,500,000.00 of this debt and the parties shall work together diligently to negotiate resolutions of this debt.

9.2 **CWNV Inventory Obligations.** CWNV shall be responsible for obtaining the inventories for Clark on a consignment basis with the same or similar inventories as that of CW's other dispensaries, and CWNV shall ensure that Clark has priority to receive all wholesale inventories on the same basis as any other wholesale purchaser. The wholesale price for all inventories shall be mutually agreed upon up by representatives of CWNV and NuVeda, subject to periodic adjustment as necessary. CWNV guarantees that the wholesale price paid by Clark shall never exceed the lowest price paid for the same or similar inventories as other CW dispensaries. Upon the retail sale of the

JKM pam ml

inventories by Clark, CWNV will be reimbursed for said inventories based on the agreed-upon wholesale pricing.

9.3 **Priority of Dispensaries.** CW, CWNV and NuVeda agree that the build-out of the facilities and dispensaries licensed to Clark is of paramount importance and shall be the first priority for CW and CWNV. CW and CWNV shall use their best efforts to fully stock the Clark dispensaries with its existing facilities and those scheduled to come online on or before May 3, 2016 and in accordance with the Timeline.

9.4 **Cultivation and Production Facilities.** CW, CWNV and NuVeda representatives shall discuss and develop in good faith a business plan for the timing and placement of the Nye cultivation and production licenses, with set milestones and in accordance with the Timeline.

9.5 **Building Insurance Claim.** NuVeda and Clark shall use their best efforts to pursue and resolve the building insurance claim relating to the Third Street dispensary. Any and all proceeds from the resolution of such claim shall be delivered to CWNV (or otherwise used solely to pay costs of the build-out of the Clark dispensaries).

SECTION 10

Definitions

For purposes of this Agreement, the following definitions shall apply:

"**Action**" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

"**Articles of Organization**" shall mean the Articles of Organization of NuVeda, Clark and Nye, filed with the Nevada Secretary of State.

"**Governmental Authority**" means any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision.

"**Law**" or "**Laws**" means all laws, statutes, rules, regulations, ordinances and other pronouncements having the effect of law of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision or of any Governmental Authority, including all common laws.

SECTION 11

Miscellaneous

11.1 **Amendment.** Except as expressly provided herein, neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Agreement and signed by each party hereto.

11.2 **Notices.** All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail (with read receipt) or facsimile (with confirmation of delivery) during normal business hours of the recipient; if not, then on the next business day, (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the party to be notified at the address, facsimile or electronic mail address as set forth on the signature page of this Agreement, or at such other address or electronic mail address as such party may designate by advance written notice complying with this Section to the other parties hereto.

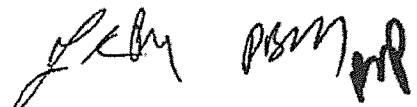
11.3 **Governing Law.** THIS AGREEMENT WILL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF NEVADA AND FOR ALL PURPOSES WILL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS PREVAILING IN THE STATE OF NEVADA, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.

11.4 **Jury Trial.** EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING (WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATED TO ANY OF THE AGREEMENTS.

11.5 **Jurisdiction.** The parties agree that any action brought by either party under or in relation to the Agreement, including, without limitation, to interpret or enforce any provision of the Agreement, shall be brought in, and each party agrees to and does hereby submit to the exclusive jurisdiction and venue of, the Eighth Judicial District Court located in Clark County, Nevada.

11.6 **Representation.** BY EXECUTING THIS AGREEMENT, EACH PARTY ACKNOWLEDGES THAT IT HAS HAD THE ABILITY AND OPPORTUNITY (WHETHER OR NOT TAKEN) TO SECURE THE ADVICE OF INDEPENDENT LEGAL COUNSEL OF ITS OWN CHOOSING WITH RESPECT TO THE ADVISABILITY OF EXECUTING AND ENTERING INTO THE AGREEMENTS AND THE LEGAL EFFECT OF ANY PROVISION OF THE AGREEMENTS. The parties hereto therefore stipulate and agree that the rule of construction to the effect that any ambiguities are to be or may be resolved against the drafting party shall not be employed in the interpretation of this Agreement to favor any party against another.

11.7 **Transaction Expenses.** Each party shall pay their own legal fees and other incidental expenses incurred in connection with transactions contemplated herein; provided, however,



that CWNV shall pay all costs and expenses incurred by either party in connection with obtaining the Transfer Approvals.

11.8 **Successors and Assigns.** Except as otherwise provided herein, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties.

11.9 **Entire Agreement.** This Agreement and related exhibits and schedules constitute the full and entire understanding and agreement among the parties with regard to the subject matter hereof.

11.10 **Severability.** If any provision of the Agreements becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from the Agreement, and such court will replace such illegal, void or unenforceable provision of the Agreement with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision. The balance of such Agreement shall be enforceable in accordance with its terms.

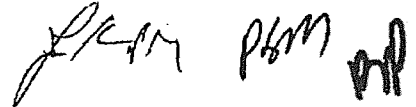
11.11 **Titles and Subtitles.** The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. All references in this Agreement to sections, paragraphs, exhibits and schedules shall, unless otherwise provided, refer to sections and paragraphs hereof and exhibits and schedules attached hereto.

11.12 **Counterparts.** This Agreement may be executed in any number of counterparts, and delivered by facsimile or electronic transmission, all of which together shall constitute one instrument.

11.13 **Further Assurances.** Each party hereto agrees to execute and deliver all such other and additional instruments and documents and do all such other acts and things as may be necessary or desirable to more fully effectuate the Agreements or transactions contemplated herein or therein. This provision shall survive the termination of this Agreement.

11.14 **Confidentiality.** The parties acknowledge that each has received, and may hereafter receive, from the other information relating to the licenses and its business activities (collectively, "**Confidential Information**"). CW, CWNV and NuVeda agree to hold all Confidential Information, including but not limited to the terms and conditions of this Agreement and all documents relating thereto, in the strictest confidence and shall be treated by both parties on a confidential basis, provided that NuVeda and CWNV may disclose the terms and conditions of this Agreement to their attorneys, advisors and employees and to any Governmental Authority, and as otherwise may be required by law.

11.15 **Waiver of Defenses.** The parties acknowledge that the cultivation, production, and dispensing of medical marijuana is in violation of federal law, including, without limitation, the Controlled Substances Act, 21 U.S.C. §801 *et seq.* To the extent permitted by law, the parties hereby waive the right to assert any defense in any proceeding relating to the enforcement of this Agreement, including, without limitation, the defense of illegality.



(signatures follow)

JK my pbm ml

This Membership Interest Purchase Agreement is executed as of the date first written above.

NUVEDA LLC, a Nevada limited liability company

By: [Signature]
Name: Pejman Bady 12/6/15

Its: President and Managing Member [Signature]

Address: P.O. Box 6255
Pahrump NV 89048 12/6/15

Email: Pbady@me.com

Facsimile: _____

CLARK NMSD LLC, a Nevada limited liability company

By: NUVEDA LLC, a Nevada limited liability company

Its: Manager

By: [Signature]
Name: Pejman Bady 12/6/15

Its: President Managing Member [Signature]

Address: P.O. Box 6255
Pahrump NV 89048 12/6/15

Email: Pbady@me.com

Facsimile: _____

NYE NATURAL MEDICINAL SOLUTIONS LLC, a Nevada limited liability company

By: NUVEDA LLC, a Nevada limited liability company

Its: Manager

By: [Signature]
Name: Pejman Bady 12/6/15

Its: President Managing Member [Signature]

Address: P.O. Box 6255
Pahrump NV 89048 12/6/15

Email: Pbady@me.com

Facsimile: _____

(Signatures continue on following page)

[Signature]

CWNEVADA, LLC,

a Nevada limited liability company

By: 

Brian C. Padgett, Manager

Address: 611 S. 6TH ST.

LAS VEGAS, NV 89101

Email: BRIAN.PADGETT@CWNEVADA.COM

Facsimile: (702) 368-0123

CWNV, LLC, a to-be-formed Nevada limited liability company

By: 

Brian C. Padgett, Manager (upon formation)

Address: 611 S. 6TH ST.

LAS VEGAS, NV 89101

Email: BRIAN.PADGETT@CWNEVADA.COM

Facsimile: (702) 368-0123

Schedule 1

Tenant Improvements and Timeline

SEE TIMELINE IN OPERATING AGREEMENT
AS SET FORTH IN "ADDITIONS TO
OPERATING AGREEMENT" ATTACHED HERETO.

FKM RM vl

Additions to Operating Agreement

Budget: A budget of all operational expenses for the upcoming year will be presented to the Board for approval at the end of the prior year. Budget vs. actuals will be presented at each quarterly meeting of the Board to ensure that the company is operating within the annual budget approved by the Board. This will ensure that funds are being allocated and spent prudently.

Marketing: All of the dispensaries will be under The Green House umbrella, so a lot of the general marketing/branding costs can be shared (i.e. website, social media, management staff) through a pro rata allocation between CW and CWNV. Individual advertising costs for each dispensary (directive billboards for example) will be borne by the company who owns the dispensary.

Inventory Control: Each CW and CWNV dispensary shall have access to equal stock and equal pricing (this is covered already in the agreement). This is only subject to shelf space constraints based on the size of the dispensary. For example: The 2,500 sf dispensary on 3rd St won't be able to carry every product the larger Blue Diamond dispensary will carry.

Delivery: Each dispensary gets credit for deliveries made within its municipality – regardless of which store makes the delivery.

Disbursements: Pete and Joe can work together to add standard language found in Operating Agreements covering profits, payment of debt, allocations for expansion and disbursement but payment to debt and expansion should consist of not less than 50% of net income.

Timeline: Dispensaries to be complete on or about April 16, 2016. The only caveat to this depends on the construction status/timing of the City of Las Vegas location which has been destroyed. Cultivation and production shall be up and running by the end of December 2016.

All licenses shall be safeguarded to meet the May 2016 State of Nevada compliance cut-off. If a CWNV license is lost due to being unable to meet the May 2016 compliance date then CW shall provide an extra license of the same type to CWNV at its cost and build to a similar standard as originally planned.

The first greenhouse built on CWNV Nye cultivation license shall be approximately 25,000/sf with a completion date of 12/2016. Construction shall commence thereafter on phase 2 (an additional approximate 25,000/sf) as determined by market demand.

Lost Profits: If Cultivation and Production are not up and running in earnest by the end of 2016, CW shall provide lost profits to CWNV based on the number of months the facilities are tardy in opening and based on the profits those facilities actually make for that same number of months upon opening.

12/6/15
RM

12/6/15
RM

12/6/15
JP

Schedule 2

Debt

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-4-

NUVEDA'S APPENDIX 0850

PKM *PRM ml*

NuVeda Loans Payable

Name of Creditor	Agreement Date	NuVeda Signer	Term of Loan	Original Amount	Monthly Payment	Interest Rate	Amount Owed	NuVeda Notes	Total to be Paid	CW Notes
Gregory Daniel	05/15/15	Pej, Jennifer, Pouya, Shang	36 Months	200,000	5,994.18	5%	183,012	need to pay		Note to pay down 4Front Agreement. Was there an equity investment? Was 4Front paid?
Majid Golpa	10/29/14	Pej	120 Months	600,000	6,074.70	4%	600,000	need to pay		Personal loan to Pej. Why wasn't this a NuVeda loan? How was money used?
Total							788,012			

NuVeda Accounts

Payable

Name of Creditor	Agreement Date	NuVeda Signer	Term of Loan	Original Amount	Monthly Payment	Interest Rate	Amount Owed	NuVeda Notes	Total to be Paid	CW Notes
4Front Advisors, LLC	06/13/14	Shane	120 Months				446,200	negotiate	-	What has been paid to date? How was the amount due calculated?
FloraSearch	04/17/15	Shane					48,000	negotiate	-	Search agreement for cultivation manager. Was the search initiated? Was anyone hired? How was the amount due calculated?
Trinity Haven							18,857	negotiate	-	Contract to build 3rd St. location. Need a copy of contract to review.
TriQ		Unsigned					71,000	negotiate	-	What is this agreement for? Was it ever signed? Did they do any work? Have they been paid anything?
Stevenson Law Firm	07/21/15	Pej					55,000	negotiate	-	Represented NuVeda in Greg Daniel and Peak Venture money raises. We need copies of invoices and a detail of what's been paid.
G.C. Garcia							251,225	negotiate	-	Lobbying agreement. What has been paid to date? How was the amount due calculated?
Wells Littlefield	12/18/14	Shane					90,000	employee	-	Hired as Director of Operations for \$130k/year. What is the status of his employment? What has he been paid to date?
1320 S 3rd Street - Rent	02/24/15	Shane					67,500	need to pay to close litigation	-	3rd St Lease. What has been paid to date?
2113 N Las Vegas Blvd - Rent	04/01/15	Shane					172,000	need to pay to close litigation	-	N. Las Vegas Lease. What has been paid to date?
Growth Farm	08/05/15	Shane	6 months				4,000	negotiate	-	Marketing Consulting Agreement. \$24k total - \$4k/month. What has been paid? Was any work completed?
FamaPR	09/15/15	Wells					12,000	negotiate	-	PR Contract. \$12k/month. What has been paid? Has any work been completed?
TWVG							158,336	buyout/exit/negotiate	-	Security Implementation Plan. Was there an agreement signed? Has any work been done? What was paid and what is the balance due?
Total							1,390,118		-	

REFERENCES

Handwritten notes:

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- Middle right: *2/17/21*
- Bottom right: *wid*
- Bottom left: *12/6/13*