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19 KRISTA FREITAG

20 UNITED STATES DISTRICT COURT
21 SOUTHERN DISTRICT OF CALIFORNIA

22 SECURITIES AND EXCHANGE
23 COMMISSION,

24 Plaintiff,

25 v.

26 GINA CHAMPION-CAIN and ANI
27 DEVELOPMENT, LLC,

28 Defendants.

AMERICAN NATIONAL
INVESTMENTS, INC.,

Relief Defendant.

Case No. 3:19-cv-01628-LAB-AHG

Ctrm: 14A
Judge Hon. Larry Alan Burns

**DECLARATION OF KRISTA L.
FREITAG IN SUPPORT OF IN
SUPPORT OF MOTION FOR
ORDER:**

**(1) APPROVING RECEIVER'S
RECOMMENDED TREATMENT OF
CLAIMS (ALLOWED,
DISALLOWED, DISPUTED);**

**(2) APPROVING DISTRIBUTION
METHODOLOGY; AND**

**(3) APPROVING PROPOSED
DISTRIBUTION PLAN**

Date: TBD
Time: TBD
Courtroom: 14A
Judge: Hon. Larry Alan Burns

1 I, Krista Freitag, declare:

2 1. I am the Court-appointed permanent receiver for Defendant ANI
3 Development, LLC, Relief Defendant American National Investments, Inc., and
4 their subsidiaries and affiliates ("Receivership Entities"). I make this declaration in
5 support of my Motion for Order: (1) Approving Receiver's Recommended
6 Treatment of Claims (Allowed, Disallowed, Disputed); (2) Approving Distribution
7 Methodology; and (3) Approving Proposed Distribution Plan ("Motion"). I have
8 personal knowledge of the facts stated herein, and if called upon to do so, I could
9 and would personally and competently testify to them.

10 2. On August 28, 2019, the Securities and Exchange Commission filed
11 this action against Defendants Gina Champion-Cain ("**Cain**") and ANI
12 Development, LLC, and Relief Defendant American National Investments, Inc.
13 Cain later admitted to perpetrating a Ponzi scheme, raising hundreds of millions of
14 dollars from investors for purported short-term, high-interest loans to applicants for
15 liquor licenses (the "**Scheme**") and pled guilty to criminal charges. The purported
16 loans were a sham and Cain was using monies raised from investors to among other
17 things, support the business operations of her affiliated entities and to make sham
18 interest and principal payments to earlier investors.

19 3. On September 3, 2019, this Court entered the Order; Granting the
20 Parties' Joint Motion and Stipulated Request by all Parties for Preliminary
21 Injunction Order and Order (1) Freezing Assets; (2) Requiring Accounts; (3)
22 Prohibiting the Destruction of Documents; and (4) Appointing a Permanent
23 Receiver (the "**Appointment Order**"). Dkt. 6. The Appointment Order directed
24 me to make an accounting, as soon as practicable.

25 4. Accordingly, I and my team completed our (a) review and analysis of
26 the bank records, and books and records of the numerous Receivership Entities,
27 (b) evaluation of the Scheme's sources of funds, and (c) evaluation of the Scheme's
28 use of funds. The "**Forensic Accounting Report**", filed on April 30, 2021 (Dkt.

No. 659), summarizes the complicated and voluminous transactional history of the Receivership Entities' bank accounts (as well as certain Chicago Title accounts and certain Kim Peterson-related bank accounts) for the period from May 27, 2011 to September 3, 2019.

5. Considering that the facts underlying the Ponzi scheme are not disputed and have been admitted by Cain in connection with her guilty plea in the related criminal case (*See United States of America v. Gina Champion-Cain*, Case No. 20-cr-02115-LAB-1, Dkt. 5, Plea Agreement July 22, 2020), the focal point of the accounting became the identification of investor-specific data and prospective recoveries for the receivership estate.

Implementation of the Claims Process

6. On June 3, 2021 and October 14, 2021, I filed and the Court approved my Motion for Order (1) Approving Procedures for the Administration of Claims Against the Receivership Estate; (2) Setting Claims Bar Date; and (3) Approving Claims Bar Date Notice and Proof of Claim Forms (respectively, the "**Claims Motion**" and "**Claims Motion Order**"). Dkt. 681, 716. The Claims Motion Order directed me to send Claims Bar Date Notices, Proof of Claim Forms, and W9 forms to Claimants no later than November 29, 2021. In the Proof of Claim Forms sent to all known prospective Investor Claimants, I embedded a Unique Identifier and a schedule showing my MIMO Net Loss calculation, which included transaction level detail, as well as each Investor Claimant's total Money In (all payments into the Scheme from Investor Claimants), total Money Out (both pre and post receivership payments made to Investor Claimants) and Prior Recovery Rate (calculated as Total Money Out divided by Total Money In). Prospective Investor Claimants were also invited to provide additional documentation for review and evaluation in the event they disputed my calculation of their MIMO Net Loss. I included details on third-party settlements (if such payments had already occurred) and explained that any payments made to Investor Claimants from third-parties thereafter would reduce

1 their MIMO Net Loss (and, as discussed below, simultaneously increase their Prior
2 Recovery Rates).

3 7. The Forensic Accounting Report reflected that there were
4 approximately 325 unique losing investors, with an aggregate net loss of
5 approximately \$184 million. Having now completed the claims process, the final
6 accounting reflects that 405 unique investors, 308 of whom were losing Investor
7 Claimants,¹ paid approximately \$389 million into the Scheme and received
8 approximately \$226 million from the Scheme. After adjusting for the “**Net**
9 **Winners**” - Investor Claimants with Prior Recovery Rates of more than 100% - the
10 aggregate pre-receivership MIMO Net Loss is approximately \$183 million. Since
11 my appointment, the investors have also reportedly received nearly \$164 million
12 from third-party settlements.² After deducting the \$128 million of these post-
13 receivership third-party settlements made against MIMO Net Losses,³ the aggregate
14 MIMO Net Loss for the pre-receivership losing Investor Claimants (total money
15
16

17 ¹ There are several reasons why the Forensic Accounting Report and investor-
18 specific numbers presented herein differ. For example, certain investors invested
19 multiple times, through different (but affiliated) entities, through personal
20 accounts, trust accounts and through retirement custodial accounts, or through
21 joint accounts. When the Forensic Accounting Report was filed, it generally
22 reflected each of these as a unique investor; however, as anticipated, during the
23 claims process, many affiliated investments have been combined and netted.
24 Furthermore, there are investors who were deemed net losers in the Forensic
25 Accounting Report, but who are now known to be net winners either due to third-
26 party settlement payment activity or due to the aggregation of affiliated
27 investments (e.g., a losing investor was affiliated with a Net Winner and when
28 aggregated, the net profits exceeded the net losses).

² The CTC settlement amounts reflected herein represent the total and gross
amounts of the settlements (gross of legal fees) reported to me. As further
discussed below, the settlement amount, for purposes of a receivership claim
does not get reduced by legal fees paid by investors, if any. This amount does
not include the approximate \$22.3 million that will be paid to the receivership
and distributed to Plaintiff Investors (as defined therein) under the proposed
Global Settlement, if the Court approves same.

³ CTC states that it has paid nearly \$164 million in settlements to investors. Of this
amount, approximately \$36 million went to two investors in excess of their
MIMO Net Losses, so the amount paid toward MIMO Net Losses is
approximately \$128 million.

1 paid into the Scheme, less total money received from the Scheme and third parties)
2 is approximately \$55 million.⁴

3 8. With respect to Trade Claims and Tax Claims, the Forensic Accounting
4 Report presented what I then believed might be approximately \$1.5 million in non-
5 investor claims for amounts that potentially would be undisputed and owed to third
6 party creditors. Upon completion of the claims process, the total non-investor
7 claims filed totaled approximately \$1.8 million, of which I am recommending
8 allowance of approximately \$1.05 million and disallowance of approximately
9 \$750,000.

10 **The Rising Tide Distribution Method**

11 9. Unlike a pro-rata distribution approach in which each claimant receives
12 a set percentage of their net loss, the Rising Tide distribution method brings all
13 claimants up to the same level of recovery,⁵ factoring in both pre-receivership
14 recoveries and post-receivership recoveries. Rising Tide is the most equitable and
15 appropriate distribution method in this case primarily because Prior Recovery Rates
16 vary widely from investor to investor. Prior to the receivership, certain Investor
17 Claimants received payments from the Scheme reflecting a return of more than
18 100% of their actual payments made to Scheme, while others received no payments
19 from the Scheme at all. Furthermore, the vast majority of third-party settlement
20 payments from CTC have varied from 50% to 75% of MIMO Net Losses, which has
21 perpetuated the disparate recoveries among Investor Claimants. Accordingly, I
22 determined the Rising Tide distribution method to be the approach best suited for
23 the equitable treatment of all holders of Allowed Claims.

24
25 _____
26 ⁴ This amount does not tie to my recommended Allowed Claim amounts primarily
27 due to the fact that not all investors with net losses submitted claims and a few
28 am not recommending their claims be allowed.
⁵ I cannot eliminate all together instances in which claimants will have different
rates of recovery because some claimants have already recovered nearly 100%,
100% or more than 100% of their net losses.

1 10. The Rising Tide distribution method enables me to bring all holders of
2 Allowed Claims, to the greatest extent possible, up to an equivalent rate of recovery
3 of their net losses, thereby minimizing instances in which one claimant is
4 proportionally better off or worse off than others. Attached hereto as Exhibit B is a
5 narrative description of the Rising Tide method, along with an illustrative example.

6 11. With respect to third-party settlement payments Investor Claimants
7 have received, some Investor Claimants elected to hire counsel and therefore may
8 have paid their counsel a portion of their gross settlement recovery. These attorney
9 fee payments, however, are not factored into the MIMO calculations or Prior
10 Recovery Rates. Investor Claimants who engaged counsel did so by choice (at their
11 own expense) and I believe that Investor Claimants who did not engage counsel
12 should not have to subsidize, through the receivership distribution process, the
13 attorney fee payments those Investor Claimants made. Therefore, using the gross
14 settlement amounts Investor Claimants received (as opposed to the net amounts after
15 attorney fees) is deemed more fair and equitable.

16 **Results of the Claims Process**

17 12. The vast majority of Investor Claimants (291 investors or just over
18 94% of the 308 losing investors) accepted my calculations. Six (6) investors
19 disputed their MIMO Net Loss calculations, seven (7) investors disputed the MIMO
20 or Rising Tide method or treatment of their investments. Another four (4) investors
21 either failed to respond (despite repeated contact attempts) or advised my team that
22 they did not intend to submit a claim in the receivership.

23 13. Attached hereto as Exhibit C is a table reflecting all recommended
24 Allowed Claims of Investor Claimants; this table includes 296 Unique Identifiers,
25 and each associated Investor Claimant's claim details.

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27
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Disputed Investor Claims Recommended for Allowance at Receiver's
MIMO Net Loss Amount

14. Six (6) Investor Claimants disputed my MIMO Net Loss calculation or the applicability of MIMO to their claims, each of which is discussed below. In each case where I identified a dispute with regard to the amount of a claim, I requested the Claimant provide additional information or documentation to support their position regarding the claim amount.⁶ Attached hereto as Exhibit D is a table reflecting these as well as the disputes regarding my use of MIMO and/or the Rising Tide method. I recommend that all of these claims be allowed at the MIMO Net Loss amounts, as reflected on Exhibit D.

15. One Investor Claimant [Unique Identifier 443] disputes my calculation, arguing that \$5,000 of a payment he received from the Scheme should not be considered Money Out because he subsequently paid the money to a friend. The alleged \$5,000 payment to a friend (pursuant to their side arrangement), however, does not change the Investor Claimant's MIMO because the payment does not alter the funds that actually went into the Scheme from him or went out of the Scheme to him. As such, I recommend this claim be allowed as reflected on Exhibit D.

16. One Investor Claimant [Unique Identifier 147] disputes my calculation, arguing she invested more money in the Scheme. This contention, however, is based on investments that were continuously rolled over into new promissory notes (and fictitious unpaid interest was added to the principal balances). These "rollovers," however, do not reflect actual cash transactions, so are not reflected in an investor's MIMO Net Loss calculation. I provided this investor with a thorough response and support for her actual cash transactions, to which she did not respond. As such, I recommend this claim be allowed as reflected on Exhibit D.

⁶ I and my staff worked diligently with Investor Claimants to address all questions or disputes to the transactional details making up the net loss calculation; all but these six were resolved/ultimately agreed upon (although some of these investors ultimately disputed the MIMO or Rising Tide methodology).

1 17. One Investor Claimant [Unique Identifier 198] believes she transferred
 2 an additional \$50,000 to the Scheme (\$10,000 and \$40,000) via cashier's checks.
 3 However, she could not provide bank records to support her claim and the books
 4 and records supporting my thorough forensic accounting do not reflect any deposits
 5 of such amounts at or around the time the investor claims the payments were made.
 6 As such, I recommend this claim be allowed as reflect on Exhibit D.

7 18. One Investor Claimant [Unique Identifier 380] has refused to agree to
 8 or sign his claim form until his pending settlement payment from CTC is received.
 9 Assuming the payment has been or will be made, I recommend this claim be
 10 allowed as reflected on Exhibit D. If for any reason, payment is not made by CTC, I
 11 would adjust this Investor Claimant's MIMO Net Loss amount.

12 19. **2Budz Holdings, LLC ("2Budz")** [Unique Identifier 305]. As
 13 discussed in the Settlement Approval Motion (Dkt. 795), 2Budz is one of the seven
 14 Non-Joining Plaintiffs that opposes the Bar Order that is a condition of the Global
 15 Settlement. With respect to its claim in the receivership, 2Budz disputes that
 16 \$750,000 it received from the Scheme should be treated as Money-Out for purposes
 17 of the MIMO calculation (2Budz also asserts that \$12,454 it paid to ANI was
 18 connected to the \$750,000 transaction and therefore also should not be counted as
 19 part of its MIMO calculation). *See* Exhibit E hereto. Therefore, 2Budz asserts that
 20 its claim should be \$737,546 greater than the Receiver's calculation. I do not
 21 believe it can be disputed, however, that the \$750,000 at issue went directly from
 22 the Scheme to 2Budz. Instead, 2Budz claims the \$750,000 should not be counted
 23 because ANI received an interest in 2Budz in exchange for the payment, and
 24 therefore the \$750,000 at issue was unrelated to its claim as an investor in the
 25 Scheme.

26 20. The relevant transactions show that the \$750,000 in payments that
 27 2Budz received was related to investments in the Scheme by 2Budz and its
 28 affiliates. 2Budz is owned by Wade Wakefield (through Wakefield Investments,

1 LLC) and Greg Glassberg. Mr. Wakefield also owns Wakefield Capital, LLC. At
 2 the time the \$750,000 at issue was paid, 2Budz had invested \$1,500,000 into the
 3 Scheme and Wakefield Capital had invested \$3,625,000 into the Scheme.
 4 Therefore, Mr. Wakefield appeared to be an investor capable of investing large
 5 amounts into the Scheme. I believe Champion-Cain, wanting to impress
 6 Mr. Wakefield and get him to invest more into the Scheme, offered to invest
 7 \$750,000 into 2Budz. Mr. Wakefield simultaneously offered to invest another
 8 \$2,000,000 into the Scheme. The exchange of funds took place almost concurrently,
 9 with Wakefield Investments transferring \$2,000,000 to the Scheme on June 18,
 10 2018, and ANI transferring \$500,000 to 2Budz on June 19, 2018 (and ANI later
 11 transferring another \$250,000 to 2Budz about six weeks later on August 6, 2018).
 12 As a result, I believe there is a direct nexus between the 2Budz and other Wakefield-
 13 affiliated investments in the Scheme and the \$750,000 paid to 2Budz, which
 14 supports aggregating and netting the transactions for purposes of the 2Budz MIMO
 15 claim.

16 21. **CalPrivate Bank f/k/a San Diego Private Bank (“CalPrivate”)**
 17 [Unique Identifier 63]. CalPrivate does not dispute my calculation of its MIMO Net
 18 Loss amount, which is \$9,520,080.13. Instead, CalPrivate asserts that MIMO does
 19 not apply to its claim because it has a first priority perfected security interest that
 20 gives it the right to recover \$12,475,000, plus interest, charges and attorneys’ fees
 21 ahead of all other investors. *See* Exhibit F. CalPrivate contends that its filing of a
 22 UCC financing statement with regard to the personal property of ANI Development,
 23 LLC (“**ANI**”) entitles it to a secured interest which attaches to all proceeds I have
 24 recovered.

25 22. CalPrivate and ANI License Fund LLC (the “**License Fund**”) entered
 26 into loan agreements whereby the License Fund borrowed the principal amount of
 27 \$12,500,000 (the “**Loan**”). License Fund was owned 80% by Kim Petersen and
 28 20% by Cain. ANI, Kim Peterson and others guaranteed the Loan. In connection

1 with ANI's guarantee, Cain executed security agreements which authorized the
2 filing of a UCC-1 financing statement (the "**UCC-1**") generally granting CalPrivate
3 a security interest in ANI's personal property. The UCC-1 was limited to ANI's
4 personal property; it did not include assets of any other entities, nor did it reference
5 the CTC's account at City National Bank (the "**CNB Account**"), CTC, or any
6 escrow.

7 23. Like other investors in the Ponzi scheme, CalPrivate commenced
8 funding loans to fictitious applicants for liquor licenses via the transfer of funds,
9 which may have gone directly to CTC or indirectly to CTC through License Fund.
10 Like other investors, CalPrivate's funds ended up being included in CTC's
11 accounting of CTC escrow number DD-00102122 (the "**Escrow**"),⁷ along with
12 funds from other investors in the Scheme.

13 24. CalPrivate's loan agreements incorporated many of the same terms as
14 those found in loan agreements executed by ANI with other investors. *See*
15 Exhibit F, Proof of Claim, Attachment 3, Change in Terms Agreement, p.1.
16 CalPrivate's loan agreements provided that their loan proceeds were to be funded
17 pursuant to the fake "Chicago Title Company Escrow Agreement (Holding Funds)"
18 between ANI as Lender and CTC as Escrow Holder, in which the Escrow, was
19 "opened for the benefit of[Applicant], who is applying for approval of a transfer
20 to Applicant of a license issues by the ...[ABC]". *See Id.*, Exhibit B.

21 25. I believe the Loan History with regard to CalPrivate's Loan further
22 demonstrates that it was no more a lender than any other Investor Claimant. *See*
23 Exhibit G, Loan History. As confirmed by my accounting, CalPrivate did not
24 simply lend \$12.475 million to the License Fund pursuant to some established line
25 of credit. Instead, CalPrivate participated in the Scheme by investing \$43.5 million
26

27 _____
28 ⁷ Different numbers were assigned to the Escrow by CTC at different times, but
the number at the time the Appointment Order was entered was DD-00102122.

1 pursuant to funding requests tied to fictitious licenses. Then, just like other Investor
2 Claimants in the Scheme, CalPrivate received loan payments based on fictitious
3 closings of sales of liquor licenses, amounting to over \$34 million. Moreover, from
4 the start, just as other investors did, CalPrivate communicated directly with Cain,
5 who forged emails, documents and signatures of Chicago Title employees, Betty
6 Elixman and Della DuCharme.

7 **Disputes Regarding the Use of MIMO or the Rising Tide Distribution**

8 **Method**

9 26. Seven (7) Investor Claimants [Unique Identifiers 62, 199, 237, 247,
10 381, 384 and 385] ultimately disputed the MIMO method for calculating claims
11 and/or the Rising Tide distribution method.⁸ In each case, these Investor Claimants
12 seek exceptions or special treatment based upon the timing of their investments or
13 their reinvestment of payouts (e.g., received payout and then reinvested those
14 dollars), the recovery rate calculation (e.g., pre-receivership payments received from
15 the Scheme should not be included in Prior Recovery Rate, only post-receivership
16 settlement payments), or similar arguments. I recommend these claims be allowed
17 pursuant to the MIMO Net Loss calculations reflected on Exhibit D.

18 **Investor Claims Recommended to be Disallowed**

19 27. I recommend that 12 of the 308 possible investor claims be disallowed.
20 Exhibit I hereto reflects the claims I am recommending be disallowed. For four (4)
21 of these claims [Unique Identifiers 77, 158, 241, and 403], the investor either
22 advised my office they did not intend to file a claim or failed to file a claim despite
23 repeated attempts to contact said investor. Five (5) of these claims [Unique
24 Identifiers 25, 74, 184, 284, and 433] should be disallowed due to fact that the
25

26 ⁸ Another approximately 30 Investor Claimants also stated that they were
27 reserving their rights to claim additional amounts such as interest, lost profits,
28 etc. These are not counted as disputes, however, because the Claims Motion
Order already established that MIMO will be used to calculate investor claims,
and that claims for interest, penalties, lost profits or other amounts would not be
allowed (at least not at this stage of the claims process).

1 claims process confirmed or third-party settlement payment(s) the Investor
2 Claimants received resulted in a Prior Recovery Rate of 100% or greater.
3 Additionally, three (3) claims [Unique Identifiers 21, 345, and 362] should be
4 disallowed due to aggregation of affiliated investments with the same beneficial
5 owners; in these situations, the aggregate of investments resulted in the net loss
6 being more than offset by the net profit. Because the total recovery in the Scheme is
7 not expected to exceed 100%, I recommend these claims be disallowed; if the
8 recovery of funds changes such that it will exceed 100%, I would revisit this matter
9 and seek further relief from the Court.

10 **Aggregator/Feeder Fund Claims Should be Disallowed**

11 28. My office received two claims from Kim Peterson-related
12 aggregator/feeder fund entities – Kim Funding, LLC and ABC Funding Strategies,
13 LLC (“**Peterson Funding Entities**”)⁹ – for the combined amount of approximately
14 \$128 million. *See* Exhibits J and K hereto. Kim Peterson (“**Peterson**”) and Cain
15 were business partners in the Scheme, and, through the Peterson Funding Entities,
16 Peterson brought into the Scheme in the aggregate approximately \$258 million and
17 received substantial profits in the process. In September 2021, I filed a Clawback
18 action against Kim Peterson and his related entities, including the Peterson Funding
19 Entities and other entities (“**Peterson Parties**”), seeking to recover approximately
20 \$12.7 million in profits they received in connection with the Scheme. Case No. 21-
21 cv-01620-LAB-AHG. On April 6, 2021, the Court granted me authority to expand
22 my complaint to include additional claims against the Peterson Parties. On May 18,
23 2022, I filed my First Amended Complaint for Fraudulent Transfer, Breach of
24 Fiduciary Duty, Fraud, Aiding and Abetting Breach of Fiduciary Duty, Aiding and
25 Abetting Fraud, and Civil Conspiracy.

26
27
28 ⁹ I have not included these entities as part of the 308 unique losing investors or 405 unique investors because the two entities’ clients were considered Investor Claimants (some of whom may have been pre-receivership Net Winners).

Recommendations Regarding Trade and Tax Claims

29. Attached hereto as Exhibit L is a table reflecting all Trade and Tax Creditor Claims submitted, and my recommended treatment thereof.

30. Three (3) Trade Creditor claims being disputed are for fees, expenses or taxes already paid. One was paid through escrow of one of the receivership properties. One reflected a duplicate invoice submitted and the other was for taxes already paid. These Trade Creditors have been notified of the adjustment to their allowed claims.

31. Three (3) Trade and Tax Creditor claims being disputed are for interest. The Proof of Claim Form clearly stated an allowed claim shall not include claims for interest, late fees, contract or other damages, legal fees, contingent or unliquidated damages.

32. Three (3) Trade Creditor claim amounts are being disputed because I did not authorize the service, fees and/or contract. These Trade Creditors have been notified of the adjustment to their allowed claims.

33. Three (3) Tax Creditor claims are being disputed. Subsequent to receipt of the claim, one taxing agency has confirmed no amount is owed. Another is for property tax on a property not part of the receivership at the time the tax was incurred. I have filed the necessary abetment paperwork to have the tax applied to the correct owner. The third tax claim is for taxes that were previously paid.

34. A former short-term employee, Phong Luu, submitted a claim in the amount of \$3,410.63 for alleged labor code violations and associated waiting time penalties. *See* Exhibit M hereto. Mr. Luu worked at one of the restaurants owned by the Receivership Entities for a very short time – less than two weeks. The Receivership Entities' books and records show that Mr. Luu was paid all wages owed to him at the time of his termination. Mr. Luu has not presented any documentation in support of his claim that indicates otherwise. Therefore, I recommend Mr. Luu's claim be disallowed.

1 35. A former employee, Jennifer Graf, who was terminated after my
2 appointment, submitted a claim for severance pay. *See* Exhibit N hereto. All
3 former employees were paid the wages owed to them at the time of their
4 termination, as well as for their accrued and unused PTO. No employees were paid
5 severance. I recommend Ms. Graf's claim be disallowed.

6 36. An aggregator of investor funds, Merit Financial ("**Merit**"), which
7 profited from the Scheme and has a Clawback action pending against it (Case
8 No. 21-cv-01633-LAB-AHG), submitted a claim for alleged unreimbursed
9 expenses, as well as a "contingent" claim for contractual indemnity. Attached
10 hereto as Exhibit O is a copy of Merit's Proof of Claim Form. I recommend Merit's
11 claim be disallowed.

12 37. A contractor, Iconik Builders, Inc. ("**Iconik**"), submitted a claim for
13 unpaid pre-receivership construction work done at properties owned by the
14 Receivership Entities. Iconik, however, previously released all claims against the
15 Receivership Entities and the receivership estate as part of a Release Agreement that
16 was executed in connection with the Receiver's sale of real property on which
17 Iconik had a mechanic's lien. Iconik was paid \$12,500 under the Release
18 Agreement. Therefore, Iconik has released all claims and should not have an
19 Allowed Claim. Attached hereto as Exhibit P and Q are copies of Iconik's Proof of
20 Claim Form and Release Agreement.

21 38. A law firm, Noonan Lance Boyer & Banach, LLP ("**Noonan**"),
22 submitted a claim in the amount of \$37,221.90 for pre-receivership and post-
23 receivership fees and costs. I accept that Noonan provided legal services to one of
24 the Receivership Entities (Westlink Development) prior to the receivership and do
25 not dispute the pre-receivership portion of the claim. However, I did not request
26 that Noonan perform any post-receivership legal work. Instead, through my
27 counsel, I merely requested that Noonan transition their files for the matter they
28 were handling to counsel in Florida, which counsel handled the case against

1 SunTrust Bank from that point on. Accordingly, Noonan should have an allowed
2 claim for pre-receivership services (\$30,863.40), but should not have a claim for
3 post-receivership work (\$6,358.50). Attached hereto as Exhibit R is a copy of
4 Noonan's Proof of Claim Form.

5 **Proposed Procedure for Future Adjustments to Allowed Claims**

6 39. The Global Settlement is pending Court approval, and if approved,
7 Allowed Claim amounts for the Investor Claimants affected by the Global
8 Settlement will change. I am also aware that some Investor Claimants are
9 continuing to pursue potential recoveries from third parties on account of their
10 losses from the Scheme. As provided in the Claims Motion and the Proof of Claim
11 Forms that were sent to Investor Claimants, these recoveries (just like Investor
12 Claimant settlements with CTC) reduce Investor Claimants' MIMO net losses and
13 increase their Prior Recovery Rates. Investor Claimants are required to disclose
14 recoveries they obtain from third parties on their losses from the Scheme to me
15 whether they occurred prior to, during, or after the claims process. Moreover,
16 although I do not presently foresee that any adjustments will need to be made to
17 Allowed Claims for other reasons, it is possible that information may be learned in
18 the future that warrants such adjustments.

19 40. I believe it would unduly delay distributions from the receivership
20 estate if I had to file a noticed motion to adjust Allowed Claims, including Allowed
21 Claim amounts each time an Investor Claimant has a recovery from a third-party or
22 another issue arises warranting an adjustment. Therefore, in these instances, I
23 propose to file a "**Notice of Allowed Claim Adjustment**" with the Court,
24 identifying the applicable Investor Claimant(s) by Unique Identifier and stating the
25 applicable adjustment(s) to the Allowed Claim amount(s) and Prior Recovery
26 Rate(s). The notice will also be emailed (or, if I do not have an email address for
27 the Investor Claimant, mailed) to the applicable Investor Claimant(s). The Investor
28 Claimant(s) must then make any objection to the adjustment known to my office

1 within 15 days and if the objection cannot be resolved during the 15-day period,
2 must file an objection with the Court within 10 days of the expiration of the 15-day
3 period. The Court can then determine the appropriate process to resolve the
4 objection. If there is no objection, the proposed adjustment(s) to the applicable
5 Allowed Claim amount(s) and Prior Recovery Rate(s) shall be automatically
6 approved without further order of the Court.

7 **Proposed Distribution Plan**

8 41. My proposed Distribution Plan is attached hereto as Exhibit A. The
9 key provisions of the Distribution Plan include that (a) the General Receivership
10 Funds will be distributed to all holders of Allowed Claims (this calculation will
11 occur first), (b) the CTC Settlement Funds will be distributed exclusively to Investor
12 Claimants with Allowed Claims (this calculation will occur second),¹⁰ and
13 (c) distributions will be made using the Rising Tide Distribution methodology. If
14 the Global Settlement is approved and my recommended treatment of claims
15 presented in the Motion is also approved, I estimate that holders of Allowed Claims
16 in the aggregate, factoring in post-receivership recoveries from third-parties, will
17 have a final recovery rate of at least 90% and likely closer to 95%.

18 42. At this point, in light of the pending Global Settlement, as well as the
19 unresolved claim disputes discussed herein, it is not feasible to determine or propose
20 that a specific amount of General Receivership Funds be distributed. Therefore, as
21 soon as it is feasible to propose an interim distribution, I propose and seek authority
22 to determine, in my business judgment, the appropriate total amount of distributable
23 receivership funds (along with the corresponding reserve of remaining receivership
24 funds) and to file with the Court a “**Notice of Interim Distribution**” which will
25 include a table of the interim distributions to holders of Allowed Claims pursuant to
26

27 ¹⁰ If approved, the CTC Settlement Funds will be calculated and distributed when
28 the final amount of available General Receivership Funds can be determined. In
other words, CTC Settlement Funds will be distributed only in the Final
Distribution.

1 the Distribution Plan. The Notice of Interim Distribution will also be posted on the
2 receivership website, emailed to all those who have subscribed to receive emails
3 from the receivership website, and mailed to Claimants for whom I do not have an
4 email address. All holders of Allowed Claims will then have 15 days to notify my
5 office (via mail or email) of any objection to the calculation of their interim
6 distribution payment. If an objection is received and I am unable to resolve the
7 objection within the 15-day period, the objecting party will then have 10 days to file
8 a formal objection with the Court and the Court can determine the appropriate
9 process for resolving the objection, in which case I will proceed with making
10 interim distribution payments to all other holders of Allowed Claims and hold in
11 reserve the distribution payment to the objecting Claimant until such time as the
12 objection is resolved.

13 I declare under penalty of perjury under the laws of the United States of
14 America that the foregoing is true and correct.

15 Executed this 31st day of May 2022, at Los Angeles, California.

16 
17 KRISTA FREITAG
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EXHIBIT A

EXHIBIT A

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18 Attorneys for Receiver
19 KRISTA FREITAG

20 UNITED STATES DISTRICT COURT
21 SOUTHERN DISTRICT OF CALIFORNIA

22 SECURITIES AND EXCHANGE
23 COMMISSION,

24 Plaintiff,

25 v.

26 GINA CHAMPION-CAIN and ANI
27 DEVELOPMENT, LLC,

28 Defendants,

AMERICAN NATIONAL
INVESTMENTS, INC.,

Relief Defendant.

Case No. 3:19-cv-01628-LAB-AHG

DISTRIBUTION PLAN

Date: TBD
Time: TBD
Courtroom: 14A
Judge: Hon. Larry Alan Burns

1 Krista Freitag (“Receiver”), the Court-appointed permanent receiver for
 2 Defendant ANI Development, LLC, Relief Defendant American National
 3 Investments, Inc., and their subsidiaries and affiliates (“**Receivership Entities**”),
 4 hereby submits this Distribution Plan.

5 **I. INTRODUCTION**

6 This Distribution Plan, when approved by the Court, shall govern the
 7 administration and distribution by the Receiver of funds recovered in connection
 8 with the above-captioned Securities and Exchange Commission (“**SEC**”)
 9 enforcement action.

10 On October 14, 2021, the Court approved the Receiver’s Motion (“**Claims**
 11 **Motion**”) for Order (1) Approving Procedures for the Administration of Claims
 12 Against the Receivership Estate; (2) Setting Claims Bar Date; and (3) Approving
 13 Claims Bar Date Notice and Proof of Claim Forms (the “**Claims Motion Order**”).
 14 Dkt. 681, 716. The Claims Motion Order directed the Receiver to complete the
 15 claims process as set forth therein.

16 The Receiver and her staff have since worked diligently to implement the
 17 tasks set forth in the Claims Motion and Claims Motion Order, and such tasks are
 18 now complete. The Claims Motion Order provided that the Receiver file a motion
 19 to allow and disallow claims and for approval of a distribution plan within 150 days
 20 of the claims submission deadline (a/k/a the “**Claims Bar Date**” or December 31,
 21 2021), or May 31, 2022. In accordance with the Claims Motion Order, the Receiver
 22 hereby submits this Distribution Plan.

23 The Receiver proposes that, net of unpaid, approved and estimated
 24 Administrative Expenses, the funds held by the Receiver be distributed in the
 25 following two tranches:

- 26 • All funds recovered by the Receiver during the course of the
 27 receivership (the “**General Receivership Funds**”), with the exception
 28 of the CTC Settlement Funds, as defined below.

- If the proposed Settlement and Mutual Release Agreement (“**Global Settlement**”) between the Receiver and Chicago Title Company and Chicago Title Insurance Company (together “**CTC**”) is approved, funds to be paid to the receivership estate (the “**CTC Settlement Funds**”) by **CTC**, less amounts to be distributed from the receivership to specific Plaintiff Investors and the amounts to be paid directly to the four unrepresented investors pursuant to the terms of the Global Settlement. After subtracting these amounts, the remaining amount of the CTC settlement payment, and thus the amount of the CTC Settlement Funds is \$2,051,421.40.

The General Receivership Funds (which is the vast majority of funds in the receivership estate) shall first go to all holders of Allowed Claims, and the CTC Settlement Funds shall then go to Investor Claimants with Allowed Claims.¹ All distributions will be made pursuant to the Rising Tide distribution method, as defined below.

The Receiver also proposes that, as soon as it is feasible to propose an interim distribution and make interim distribution calculations in accordance with the Court’s orders regarding Allowed Claims, the Global Settlement, and this Distribution Plan, she will do so and file a “**Notice of Interim Distribution**” with the Court, which will include a table of the proposed interim distribution amounts to holders of Allowed Claims² along with resulting MIMO Net Loss amounts and recovery rates updated to reflect payment of the proposed distribution amounts. If there is no objection to the Notice of Interim Distribution (proposed objection procedures are laid out below in Section III(A)), the Receiver will issue interim

¹ If approved, the CTC Settlement Funds will be calculated and distributed when the final amount of available General Receivership Funds can be determined. In other words, CTC Settlement Funds will be distributed only in the Final Distribution.

² Investor Claimants with Allowed Claims will be identified by their Unique Identifier.

1 distribution checks to holders of Allowed Claims pursuant to the terms of this
 2 Distribution Plan, the Notice of Interim Distribution and calculations provided
 3 therein.

4 **II. DEFINITIONS**

5 Unless the context otherwise requires, and in addition to the terms defined
 6 above, the following terms have the following meanings when used in their
 7 capitalized forms herein. Such meanings are equally applicable to both the singular
 8 and plural forms.

9 **“Administrative Expenses”** means payments arising from services
 10 performed and activities undertaken on or after September 3, 2019, in connection
 11 with the administration and operation of the receivership estate, including but not
 12 limited to services rendered and expenses incurred by the Receiver, her attorneys,
 13 accountants or other professionals; goods and services provided by vendors; as well
 14 as other, ordinary expenses incurred in the operation of the Receivership Entities’
 15 businesses. Administrative Expenses are not subject to the Distribution Plan. While
 16 certain Administrative Expense may be estimated to establish a Cash reserve, all
 17 fees and costs of the Receiver, her attorneys, accountants and other professionals are
 18 subject to Court approval and will not be paid unless and until such approval has
 19 been granted by the Court.

20 **“Allowed Claim”** means the claim of any Investor Claimant, Tax Claimant
 21 or Trade Claimant against the Receivership Entities allowed by this Court pursuant
 22 to an order entered in the above-captioned Receivership Case. An Allowed Claim
 23 shall not include claims for interest, late fees, contract or other damages, contingent
 24 or unliquidated damages, claims submitted by Defendants or their present/former
 25 officers or directors, or claims submitted by those who have purchased Investor
 26 Claims.

27

28

1 **“Cash”** means all cash and cash equivalents of the Receivership Entities held
 2 by the Receiver, including the CTC Settlement Funds and all other cash recovered
 3 by the Receiver and/or paid to the receivership estate in the future.

4 **“Claims Bar Date Notice”** means the written notice from the Receiver to all
 5 known or prospective Investor Claimants, Tax Claimants and Trade Claimants
 6 regarding the claims process and Claims Bar Date. The notice was emailed to
 7 Claimants with confirmed email addresses, mailed to Claimants without confirmed
 8 email addresses, and published on the receivership website.

9 **“Claims Bar Date”** means the date that was sixty (60) days from the mailing
 10 of the Claims Bar Date Notice by which executed Proof of Claim Forms must be
 11 returned to and received by the Receiver, which date (December 31, 2021) was
 12 identified in the Claims Bar Date Notice.

13 **“Claim”** means any claim for payment against the Receivership Entities
 14 whether or not such right is reduced to judgment, liquidated, unliquidated,
 15 contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or
 16 unsecured.

17 **“Claimant”** means a holder of a Claim or potential Claim, which may or may
 18 not be allowed by the Court.

19 **“Court”** means the United States District Court, Southern District of
 20 California.

21 **“Days”** means calendar days, unless otherwise specified herein.

22 **“Deficiency Notifications”** means the Receiver’s written notice, made within
 23 ninety (90) days of the Claims Bar Date, to each prospective Investor Claimant,
 24 Trade Claimant or Tax Claimant of a dispute or deficiency with regard to a Claim.

25 **“Dispute”** means a written objection submitted on or before the Claims Bar
 26 Date to the Receiver by a Claimant regarding the Claimant’s proposed Allowed
 27 Claim amount.

28

1 **“Entities” or “Receivership Entities”** means Defendant ANI Development,
 2 LLC, Relief Defendant American National Investments, Inc., and their subsidiaries
 3 and affiliates.

4 **“Estate” or “Receivership Estate”** means all assets, including but not
 5 limited to Cash, loans, real and personal property, claims, causes of action, or rights
 6 of recovery held by the Receiver on behalf of the Receivership Entities.

7 **“Forensic Accounting Report”** means the Receiver’s report on her forensic
 8 accounting, which was filed on April 30, 2021 (Dkt. No. 659).

9 **“Investor Claimant”** means the holder of a Claim that arises from one or
 10 more investments with or loans to the Ponzi scheme that is the subject of the
 11 Receivership Case.

12 **“MIMO”** means the approved money-in/money-out method used by the
 13 Receiver to calculate the Claims of Investor Claimants. The net loss, if any, for
 14 each prospective Investor Claimant was determined by calculating the net amount of
 15 each investor’s aggregate actual out of pocket payments made to the Scheme
 16 (“Money-In”), less the aggregate amount of payments made back to that investor
 17 from the Scheme and third-parties on account of their investments (“Money-Out”).

18 **“MIMO Net Loss”** means the net loss suffered by an Investor Claimant as
 19 calculated on a MIMO basis.

20 **“Motion”** means the Receiver’s concurrently filed Motion for Order (1)
 21 Approving Receiver’s Recommended Treatment of Claims (Allowed, Disallowed,
 22 Disputed), (2) Approving Distribution Methodology, and (3) Approving Proposed
 23 Distribution Plan.

24 **“Net Winner”** means Investor Claimants whose Money Out exceeded their
 25 Money In.

26 **“Prior Recovery Rate”** means the aggregate amount of Money Out divided
 27 by aggregate amount of Money In.

28

1 **“Proof of Claim Form”** means the form which was transmitted with the
 2 Claims Bar Date Notice to each prospective Investor Claimant, Tax Claimant and
 3 Trade Claimant in order to determine such claimant’s Allowed Claim amount (if
 4 any), the correct name of the payee, and the mailing address for distribution. The
 5 Proof of Claim Form also collected Claimant’s Social Security or Tax Identification
 6 Numbers (via W9) and any other information needed relating to the tax treatment of
 7 distributions.

8 **“Receiver”** means Krista L. Freitag, in her capacity as Court-appointed
 9 permanent receiver for the Receivership Entities.

10 **“Receivership Case”** means that certain litigation, pending in the Court,
 11 known as *SEC v. Gina Champion-Cain and ANI Development, LLC, Defendants,*
 12 *American National Investments, Inc. Relief Defendant*, Case No. 3:19-cv-01628-
 13 LAB-AHG, the Honorable Larry Alan Burns, presiding.

14 **“Receivership Date”** means September 3, 2019.

15 **“Rising Tide Distribution”** means the method used by the Receiver to
 16 calculate distributions. In simple terms, the application of a so-called Rising Tide
 17 analysis enables the Receiver to bring all holders of Allowed Claims, to the greatest
 18 extent possible, up to an equivalent rate level of recovery, thereby minimizing
 19 instances in which one Claimant is proportionally better or worse off than another.³
 20 Attached as Exhibit B to the Receiver’s declaration in support of the Motion is a
 21 narrative description of this method, along with illustrative examples.

22 **“Tax Claimant”** means the holder of a Claim that arising from unpaid local,
 23 state, or federal taxes due from the Receivership Entities and payable prior to the
 24 Receivership Date.

25
 26
 27 ³ The Receiver cannot eliminate all together instances in which claimants will
 28 have different rates of recovery because some claimants have already recovered
 nearly 100%, 100% or more than 100% of their net losses.

“Unique Identifier” means a unique number which was provided to Investor Claimants with their Proof of Claim Forms so they can identify their Claims in public filings.

Other than as provided below with respect to the distribution of CTC Settlement Funds to Investor Claimants with Allowed Claims only, the Receiver proposes to treat all Claimants with Allowed Claims with equal priority. The proposed amount of Allowed Claims of Trade Claimants and Tax Claimants is just over \$1 million, or approximately 2% of the proposed amount of Allowed Claims of Investor Claimants. Although this enforcement action was filed by the SEC for the primary purpose of stopping the ongoing harm to Investor Claimants and providing for a recovery of their losses, the Receiver does not believe it would be fair or equitable in this case to subordinate the claims of Trade Claimants and Tax Claimants, which would mean they recover nothing on their Claims.⁴

⁴ For purposes of the Rising Tide calculation, Trade and Tax Creditor Allowed Claim amounts will have a zero percent Prior Recovery Rate.

1 from the Ponzi scheme, including pending claims asserted by Investor Claimants.
2 Therefore, the CTC Settlement Funds have a clear and direct nexus to the Allowed
3 Claims of Investor Claimants and should be distributed exclusively to Investor
4 Claimants in the final distribution.

5 **IV. DISTRIBUTIONS**

6 **A. Establishment Of Cash Reserve and Interim Distributions**

7 Given the ongoing litigation in state court, the proposed Global Settlement,
8 and the Claim Disputes discussed in the Motion, the Receiver is not currently able to
9 determine the amount of distributable Receivership Estate Cash (or the
10 corresponding Administrative Expense reserve amount) or calculate the distribution
11 amount to each holder of an Allowed Claim on an interim basis or otherwise.

12 As soon as it is feasible for the Receiver to determine, in her business
13 judgment, the appropriate total amount of distributable receivership funds (along
14 with the corresponding reserve of remaining receivership funds) in accordance with
15 the Court's orders regarding Allowed Claims, the Global Settlement, and this
16 Distribution Plan, she will file a "**Notice of Interim Distribution**" with the Court,
17 which will include a table detailing the interim distribution amounts to holders of
18 Allowed Claims along with resulting MIMO Net Loss amounts and recovery rates
19 updated to reflect payment of the proposed distribution amounts. If the Receiver's
20 recommendations in the Motion are approved and the Global Settlement is
21 approved, the Receiver expects to be able to determine the amount of distributable
22 Receivership Estate Cash (along with the corresponding Administrative Expense
23 Cash reserve amount), calculate the interim distribution amount to each holder of an
24 Allowed Claim, and file a Notice of Interim Distribution shortly thereafter.

25 In addition to being filed with the Court, the Notice of Interim Distribution
26 will be posted on the receivership website (www.anireceivership.com), emailed to
27 holders of Allowed Claims (provided email addresses have been provided to the
28 Receiver) and mailed to holders of Allowed Claims if the Receiver does not have

1 email addresses for same. All holders of Allowed Claims will then have 15 days to
2 notify the Receiver's office (via mail or email) of any objection to the calculation of
3 their interim distribution payment. If an objection is received and the Receiver is
4 unable to resolve the objection within the 15-day period, the objecting party will
5 then have 10 days to file a formal objection with the Court and the Court can
6 determine the appropriate process for resolving the objection, in which case the
7 Receiver will proceed with making interim distribution payments to all other holders
8 of Allowed Claims and hold in reserve the distribution payment to the objecting
9 Claimant until such time as the objection is resolved. The objection deadlines will
10 also be laid out in the Notice of Interim Distribution.

11 **B. Rising Tide Distribution Method**

12 The Receiver proposes that all distributions to holders of Allowed Claims be
13 made using the Rising Tide Distribution method. In simple terms, the application of
14 Rising Tide enables the Receiver to bring all holders of Allowed Claims, to the
15 greatest extent possible, up to an equivalent rate level of recovery, thereby
16 minimizing instances in which one Claimant is proportionally better or worse off
17 than another. Attached as Exhibit B to the Receiver's declaration in support of the
18 Motion is a narrative description of this method, along with illustrative examples.
19 For the reasons discussed in the Motion, the Receiver believes this is the most fair
20 and equitable distribution method in this case.

21 **C. Distribution Tranches**

22 As noted above, the Receiver proposes to distribute Receivership Estate Cash
23 in two tranches, with the first tranche (the General Receivership Funds, net of a
24 reserve for Administrative Expenses) going to all holders of Allowed Claims with
25 equal priority,⁵ and the second tranche (CTC Settlement Funds expected to be
26

27 ⁵ Distributions (including any interim distribution) made from the General
28 Receivership Funds will be considered Money Out, and thus will increase the
Prior Recovery Rates for purposes of the final distribution calculations
(including the second tranche, if the Global Settlement is approved).

1 \$2,051,421.40) going to Investor Claimants only.⁶ In this regard, all holders of
2 Allowed Claims will share in the distribution of the vast majority of receivership
3 funds, and Investor Claimants with Allowed Claims will receive a smaller
4 supplemental amount derived from the Global Settlement.⁷

5 **D. Distribution Payments**

6 Once a Notice of Interim Distribution has been filed with the Court, posted on
7 the receivership website, and emailed or mailed to interested parties as described
8 above, and once any objections thereto have been resolved, the Receiver will mail
9 distribution checks to holders of Allowed Claims in accordance with this
10 Distribution Plan and the Notice of Interim Distribution. At the appropriate time,
11 the Receiver shall request authority from the Court to make a final distribution of
12 remaining Receivership Estate Cash by way of a noticed motion.

13 Unless the holder of an Allowed Claim requests otherwise in writing,
14 distribution checks shall be made out to and mailed to the name and address
15 provided by the Claimant on the Proof of Claim Form. Some Claimants who made
16 investments through an IRA or 401(k) account have requested that their
17 distributions, or a portion thereof, go back to their IRA or 401(k) accounts, and
18 those requests will be honored. The tax treatment of the distributions is the
19 responsibility of each Claimant with an Allowed Claim and they should consult their
20 tax advisor for advice regarding the tax treatment of the distributions they receive.

24 ⁶ If the Global Settlement is approved, the “**Participation Right**” CTC receives
25 thereunder does not include the right to share in the distribution of the CTC
26 Settlement Funds, meaning CTC will only share (pursuant to the terms of the
27 Participation Right in the Global Settlement) in the distribution of General
28 Receivership Funds.

⁷ If approved, the CTC Settlement Funds will be calculated and distributed when
the final amount of available General Receivership Funds can be determined. In
other words, CTC Settlement Funds will be distributed only in the Final
Distribution.

1 **E. Uncashed Distributions**

2 The Receiver shall conduct a reasonable investigation into distribution checks
3 that remain uncashed after 90 days of their issuance for the purpose of determining
4 if they were received and, if not, identifying current addresses for the applicable
5 holders of Allowed Claims. In the case of an interim distribution check, if a current
6 address can be identified, the payment will be reissued as soon as practicable. If
7 not, the applicable Claim will be extinguished and the Claimant with an Allowed
8 Claim shall forfeit the right to participate in further distributions; if a distribution is
9 made on an interim basis, the uncashed funds will go back in the General
10 Receivership Funds for future distribution to all holders with Allowed Claims.
11 Upon final distribution, any funds remaining in Receivership Estate accounts
12 120 days after all final distribution checks have been issued (or 60 days after a final
13 distribution check has been reissued) shall be turned over to the United States
14 Treasury upon discharge of the Receiver.

15 **V. RETENTION OF JURISDICTION**

16 The Court shall have and retain exclusive jurisdiction of matters arising out
17 of, and related to the Receivership Case and the Distribution Plan, among other
18 things, for the following purposes:

- 19 1. To consider any modifications to the Distribution Plan, to cure any
20 defect or omission, or reconcile any inconsistency in the Distribution Plan or any
21 order of the Court;
- 22 2. To hear and determine any objection or other dispute with respect to
23 Claims;
- 24 3. To protect the property of the Receivership Estate from adverse Claims
25 or interference inconsistent with the Distribution Plan;
- 26 4. To issue such orders in aid of execution of the Distribution Plan as may
27 be necessary and appropriate;
- 28

1 5. To hear and determine all applications for compensation and
2 reimbursement of expenses of the Receiver and her professionals;

3 6. To recover all assets of the Receivership Estate, wherever located;

4 7. To hear and determine all litigation, causes of action and all
5 controversies, suits, and disputes that may arise in connection with the
6 interpretation, implementation, or enforcement of the Distribution Plan; and

7 8. To enter a Final Order closing the Receivership Case and discharging
8 the Receiver.

9
10 Dated: May 31, 2022

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

11
12 By: /s/ Edward G. Fates

13 EDWARD G. FATES
14 Attorneys for Receiver
15 KRISTA L. FREITAG
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EXHIBIT B

EXHIBIT B

Rising Tide Distribution Method

The Rising Tide Distribution Method works to address broad disparities among similarly situated Investor Claimants with regard to the amounts they received from the Scheme, as well as amounts recovered from third-parties, as a percentage of amounts they paid into the Scheme before distributions are made from the receivership ("Prior Recovery Rate"). Specifically, Rising Tide provides that Investor Claimants will not receive a distribution until all Investor Claimants' Prior Recovery Rate is equal to the proposed post-receivership recovery rate further described below ("Post-Recovery Rate"). The following presents a narrative description of the Rising Tide Method, as well as some mathematical examples of how investor claims might be calculated and compensated. To further assist with the understanding of this approach, a sample scenario is also attached hereto.

1. As determined/ordered by the Court, the Receiver first determined the Net Loss of each Investor Claimant on a Money-In-Money-Out ("MIMO") basis as the aggregate, out-of-pocket, actual payments made by an Investor Claimant into the Scheme ("Money-In"), less the aggregate, actual payments made to the Investor Claimant from the Scheme, including recoveries from third-parties ("Money-Out"). This detail was included in each Investor Claimant's Proof of Claim Form sent with the Claims Bar Date Notice.

2. The Proof of Claims Forms also included the Prior Recovery Rate which was calculated for each Investor Claimant as Money-Out divided by Money-In, expressed as a percentage. For example, an Investor Claimant who invested \$10,000 total in the Scheme and received no payments from the Scheme would have a Prior Recovery Rate of 0%. An Investor Claimant who invested \$10,000 total in in the Scheme and received \$15,000 in payments would

have a recovery rate of 150%. An Investor Claimant who paid invested \$10,000 in the Scheme and received \$5,000 in payments would have a Prior Recovery Rate of 50%.

3. Once the MIMO Net Loss amounts and Prior Recovery Rates for all Investor Claimants (along with the allowed amounts of Trade and Tax Claims) are confirmed and approved by the Court, and assuming the Global Settlement is approved,¹ the Receiver would perform two Rising Tide calculations.

- a. Other than as specifically noted in this section and Section 4 below, the calculation steps are the same for both Rising Tide calculations. The first Rising Tide calculation would allocate the General Receivership Funds to all holders of Allowed Claims; while the second would allocate the CTC Settlement Funds to Investor Claimants with Allowed Claims.²
- b. After the first Rising Tide calculations are completed, the second Rising Tide would be performed to allocate CTC Settlement Funds exclusively to the Investor Claimants with Allowed Claims.³ The resulting Distribution Payment from the General Receivership Funds in the first Rising Tide calculation would be treated as Money-Out in paragraph 4 and subsequent steps. The payment amounts made to Claimants with Allowed Claims would reflect the sum of the Distribution Payments from the first and the second Rising Tide calculations.

4. For the Rising Tide calculation, the Receiver would calculate the Post-Recovery Rate across Investor Claimants as the sum of all Money-Out plus the funds available for distribution divided by the sum of all Money-In. As noted above, the first Rising Tide

¹ If the Global Settlement is not approved, the second Rising Tide calculation would not be necessary.

² For purposes of the Rising Tide calculation, Trade and Tax Creditor Allowed Claim amounts will have a zero percent Prior Recovery Rate.

³ If approved, the CTC Settlement Funds will be calculated and distributed when the final amount of available General Receivership Funds can be determined. In other words, CTC Settlement Funds will be distributed only in the Final Distribution.

calculation would apply to all holders of Allowed Claims as the funds to be distributed are the General Receivership Funds. In the second Rising Tide, the calculation applies only to Investor Claimants with Allowed Claims and the funds available for distribution are the CTC Settlement Funds.⁴ The Post-Recovery Rate in each Rising Tide iteration represents the percentage recovery each Claimant with Allowed Claims could have expected if they received payments from the Scheme, prior to the distribution and through the distribution of the funds available, in proportion to their Money-In. For example, if in the first Rising Tide calculation, the sum of all Claimants' Money-In were \$10 million and the sum of all their Money-Out were \$5 million, and the General Receivership Funds were \$1 million, then the Post Recovery Rate would be 60% (((\$5 million plus \$1 million) divided by \$10 million). Thus, the resulting Distribution Payments from this first Rising Tide calculation would result in each Investor Claimant with an Allowed Claim achieving a 60% recovery (if their Prior Recovery Rate was below 60%).

5. Investor Claimants whose Prior Recovery Rate equals or exceeds the Post-Recovery Rate will not receive a payment in the Rising Tide. All other Investor Claimants will be deemed preliminarily eligible for a distribution payment in the Rising Tide. In this example, Investor Claimants with Allowed Claims whose Prior Recovery Rates were greater than 60% would not receive any of the General Receivership Funds, but all Investor Claimants with Allowed Claims would now have a Prior Recovery Rate of no less than 60%. The aggregate amount of Claims for the non-Investor Claimants with Allowed Claims would also achieve a 60% Prior Recovery Rate.

6. The Receiver will then perform the calculations in paragraphs 4 and 5 again for the Investor Claimants with Allowed Claims preliminarily eligible for a distribution payment to

⁴ The General Receivership Funds distributed will be treated as Money-Out for purposes of calculating the Post-Recovery Rate in the second Rising Tide (interim distribution payments will also be treated as Money-Out for purposes of final distribution calculations). For illustrative purposes, the narrative explanation hereinafter applies to just the first calculation (the same process would apply to the second calculation with the exception of the funds to be distributed would reflect the CTC Settlement Funds and those eligible for participation would be Investor Claimants with Allowed Claims).

arrive at a Distribution Recovery Rate. Any eligible Investor Claimant whose Prior Recovery Rate exceeds the Distribution Recovery Rate will be deemed ineligible. This step will be repeated, on an iterative basis, until the only remaining eligible Claimants with Allowed Claims are those whose Prior Recovery Rate is less than the ultimate Distribution Recovery Rate.

7. The Receiver will then calculate each eligible Investor Claimant's Recovery Amount as his/her/its Money-In multiplied by the final Distribution Recovery Rate. For example, if the Distribution Recovery Rate is 60% in the first Rising Tide calculation and an eligible Claimant's Money-In is \$10,000, his/her/its Recovery Amount in the first Rising Tide calculation will be \$6,000.

8. The Receiver will then calculate each eligible Investor Claimant's Distribution Payment from the funds available as his/her/its Recovery Amount less his/her/its (Previous) Money-Out. If the eligible Investor Claimant in the example above had received \$5,000 in Money-Out, his/her/its Distribution Payment will be \$1,000 (\$6,000 less \$5,000), which is the amount that when combined with his/her/its previous payments received from the Scheme or third-parties (\$5,000) achieves his/her/its Recovery Amount. In other words, in each Rising Tide calculation, all approved Investor Claimants, after receipt of the Distribution Payment, will have Recovery Amounts such that when it is divided by their Money-In will not be less than the Distribution Recovery Rate, or 60% in the Rising Tide calculation in this example.

9. If an eligible Claimant's Distribution Payment calculates to less than \$10.00, the eligible Claimant will not receive a Distribution Payment in the Rising Tide. Instead, all such eligible Claimants will be deemed ineligible and the Distribution Recovery Rate for all other eligible Claimants, and their associated Distribution Payments, will be recalculated, as provided for in paragraphs 4 through 8, above.

PRIOR AND POST RECOVERY RATE CALCULATION						DISTRIBUTION RECOVERY RATE CALCULATION					DISTRIBUTION RECOVERY RATE CALCULATION					DISTRIBUTION PAYMENT CALCULATION				STRAIGHT PRORATA CALCULATION (FOR COMPARISON)										
Paragraph 4 from Rising Tide Methodology						Paragraph 6 from Rising Tide Methodology (First Iteration)					Paragraph 6 from Rising Tide Methodology (Second Iteration)					Paragraphs 7 & 8 from Rising Tide Methodology														
		Money In		Money Out	Net Loss (Money In less Money Out)	Prior Recovery Rate for Each Potential Claimant (Para 2)																								
Investor 1		20,000.00		13,000.00	7,000.00	0.65	Yes			Investor 1	20,000.00	13,000.00	0.65																	
Investor 2		30,000.00		35,000.00	(5,000.00)	1.17				Investor 2																				
Investor 3		10,000.00		5,000.00	5,000.00	0.50	Yes			Investor 3	10,000.00	5,000.00	0.50	Yes		10,000.00	5,000.00	0.50	Yes		60.00%	6,000.00	(5,000.00)	1,000.00	5,000.00	0.33	666.67	57%	60%	
Investor 4		5,000.00		2,000.00	3,000.00	0.40	Yes			Investor 4	5,000.00	2,000.00	0.40	Yes		5,000.00	2,000.00	0.40	Yes		60.00%	3,000.00	(2,000.00)	1,000.00	3,000.00	0.20	400.00	48%	60%	
Total	a	65,000.00		55,000.00	10,000.00					Total	35,000.00	20,000.00				15,000.00	7,000.00				Total		9,000.00	(7,000.00)	2,000.00	15,000.00	1.00	2,000.00		
Amount To be Distributed				2,000.00						Amount To be Distributed		2,000.00					2,000.00													
Total Money Out plus Amount to be Distributed			b	57,000.00						Total Money Out plus Amount to be Distributed		22,000.00					9,000.00													
Post Recovery Rate (57,000/65,000)			b/a	87.69%						Distribution Recovery Rate (22,000/35,000) 1st Iteration		62.86%				Distribution Recovery Rate (9,000/15,000) - 2nd Iteration	60.00%													
Investor 2 is not eligible b/c Prior Recovery Rate is greater than Post Recovery Rate						Investor 2 was removed b/c Prior Recovery Rate is greater than Post Recovery Rate					Investor 1 was removed b/c Prior Recovery Rate is greater than first Distribution Recovery Rate Iteration					Investors 3 & 4 receive distribution as they are the only two investors whose Prior Recovery Rates are less than the Distribution Recovery Rate (second iteration)														
						Investor 1 not eligible (Prior Recovery Rate is greater than Distribution Recovery Rate)																								
						Second iteration is necessary to get to a Distribution Recovery Rate that all Eligible Investors' Prior Recovery Rates are less than																								

EXHIBIT C

EXHIBIT C

Investor Unique Identifier	Sum of Total Money In	Sum of Total Money Out	Total Money In Less Total Money Out	Receiver's Recommended Allowed Claim Amount	Prior Recovery Rate (Sum of Total Money Out/Sum of Total Money In)
1	325,000.00	(251,325.72)	73,674.28	73,674.28	77.33%
2	125,000.00	(87,500.00)	37,500.00	37,500.00	70.00%
3	190,000.00	(139,418.70)	50,581.30	50,581.30	73.38%
4	67,500.00	(47,250.00)	20,250.00	20,250.00	70.00%
9	400,000.00	(260,000.00)	140,000.00	140,000.00	65.00%
10	612,950.00	(564,443.00)	48,507.00	48,507.00	92.09%
11	97,250.00	(78,128.48)	19,121.52	19,121.52	80.34%
12	92,000.00	(60,939.88)	31,060.12	31,060.12	66.24%
13	135,000.00	(96,043.31)	38,956.69	38,956.69	71.14%
14	110,000.00	(72,862.90)	37,137.10	37,137.10	66.24%
15	500,000.00	(331,195.00)	168,805.00	168,805.00	66.24%
16	135,000.00	(89,422.65)	45,577.35	45,577.35	66.24%
17	50,000.00	(33,119.50)	16,880.50	16,880.50	66.24%
18	162,500.00	(135,558.66)	26,941.34	26,941.34	83.42%
22	65,000.00	(48,750.00)	16,250.00	16,250.00	75.00%
23	360,000.00	(254,464.11)	105,535.89	105,535.89	70.68%
24	365,700.00	(305,265.00)	60,435.00	60,435.00	83.47%
27	211,978.12	(151,135.44)	60,842.68	60,842.68	71.30%
28	98,000.00	(70,180.36)	27,819.64	27,819.64	71.61%
29	120,000.00	(85,935.14)	34,064.86	34,064.86	71.61%
30	250,000.00	(162,500.00)	87,500.00	87,500.00	65.00%
31	581,950.00	(491,751.74)	90,198.26	90,198.26	84.50%
32	1,660,000.00	(1,264,835.91)	395,164.09	395,164.09	76.19%
35	277,505.76	(183,903.03)	93,602.73	93,602.73	66.27%
36	450,000.00	(435,375.00)	14,625.00	14,625.00	96.75%
37	17,000.00	(11,900.00)	5,100.00	5,100.00	70.00%
39	225,000.00	(157,500.00)	67,500.00	67,500.00	70.00%
40	50,000.00	(35,806.31)	14,193.69	14,193.69	71.61%
41	850,000.00	(688,720.00)	161,280.00	161,280.00	81.03%
44	100,000.00	(82,104.39)	17,895.61	17,895.61	82.10%
45	250,000.00	(179,031.54)	70,968.46	70,968.46	71.61%
47	285,000.00	(202,949.89)	82,050.11	82,050.11	71.21%
48	200,000.00	(130,000.00)	70,000.00	70,000.00	65.00%

Investor Unique Identifier	Sum of Total Money In	Sum of Total Money Out	Total Money In Less Total Money Out	Receiver's Recommended Allowed Claim Amount	Prior Recovery Rate (Sum of Total Money Out/Sum of Total Money In)
50	1,800,000.00	(1,501,253.42)	298,746.58	298,746.58	83.40%
51	312,500.00	(278,375.00)	34,125.00	34,125.00	89.08%
53	570,000.00	(432,300.00)	137,700.00	137,700.00	75.84%
54	200,000.00	(162,209.05)	37,790.95	37,790.95	81.10%
55	100,000.00	(72,840.55)	27,159.45	27,159.45	72.84%
56	25,000.00	(22,375.00)	2,625.00	2,625.00	89.50%
57	260,000.00	(173,322.50)	86,677.50	86,677.50	66.66%
58	180,000.00	(117,000.00)	63,000.00	63,000.00	65.00%
59	325,000.00	(238,925.08)	86,074.92	86,074.92	73.52%
61	1,600,000.00	(1,364,024.52)	235,975.48	235,975.48	85.25%
62	375,000.00	(296,250.00)	78,750.00	78,750.00	79.00%
63	43,595,880.00	(34,075,799.87)	9,520,080.13	9,520,080.13	78.16%
64	500,000.00	(395,646.28)	104,353.72	104,353.72	79.13%
65	100,000.00	(70,000.00)	30,000.00	30,000.00	70.00%
66	984,750.00	(947,325.00)	37,425.00	37,425.00	96.20%
67	82,989.50	(68,423.10)	14,566.40	14,566.40	82.45%
69	325,000.00	(227,500.00)	97,500.00	97,500.00	70.00%
70	181,274.83	(117,828.64)	63,446.19	63,446.19	65.00%
71	239,000.00	(152,044.77)	86,955.23	86,955.23	63.62%
73	100,000.00	(89,531.70)	10,468.30	10,468.30	89.53%
75	1,926,886.01	(1,890,405.73)	36,480.28	36,480.28	98.11%
76	100,000.00	(72,090.96)	27,909.04	27,909.04	72.09%
78	130,000.00	(108,400.00)	21,600.00	21,600.00	83.38%
79	200,000.00	(139,750.00)	60,250.00	60,250.00	69.88%
80	721,676.95	(469,090.02)	252,586.93	252,586.93	65.00%
81	50,000.00	(35,806.31)	14,193.69	14,193.69	71.61%
82	500,000.00	(362,447.75)	137,552.25	137,552.25	72.49%
83	200,000.00	(142,676.00)	57,324.00	57,324.00	71.34%
84	200,000.00	(138,178.49)	61,821.51	61,821.51	69.09%
86	20,000.00	(14,000.00)	6,000.00	6,000.00	70.00%
90	358,250.00	(256,552.20)	101,697.80	101,697.80	71.61%
91	100,000.00	(65,000.00)	35,000.00	35,000.00	65.00%
92	100,000.00	(71,612.62)	28,387.38	28,387.38	71.61%

Investor Unique Identifier	Sum of Total Money In	Sum of Total Money Out	Total Money In Less Total Money Out	Receiver's Recommended Allowed Claim Amount	Prior Recovery Rate (Sum of Total Money Out/Sum of Total Money In)
93	215,000.00	(150,500.00)	64,500.00	64,500.00	70.00%
106	125,000.00	(95,838.64)	29,161.36	29,161.36	76.67%
107	50,000.00	(39,650.00)	10,350.00	10,350.00	79.30%
108	1,250,000.00	(1,058,850.68)	191,149.32	191,149.32	84.71%
109	150,000.00	(109,041.37)	40,958.63	40,958.63	72.69%
114	1,040,551.19	(676,358.27)	364,192.92	364,192.92	65.00%
115	100,000.00	(80,750.00)	19,250.00	19,250.00	80.75%
116	8,500,000.00	(6,215,316.13)	2,284,683.87	2,284,683.87	73.12%
117	700,000.00	(547,986.37)	152,013.63	152,013.63	78.28%
118	800,000.00	(621,746.18)	178,253.82	178,253.82	77.72%
119	543,010.00	(387,400.00)	155,610.00	155,610.00	71.34%
120	370,000.00	(240,500.00)	129,500.00	129,500.00	65.00%
121	100,000.00	(70,250.00)	29,750.00	29,750.00	70.25%
122	337,363.16	(293,827.48)	43,535.68	43,535.68	87.10%
123	400,000.00	(260,000.00)	140,000.00	140,000.00	65.00%
124	114,800.00	(82,211.28)	32,588.72	32,588.72	71.61%
125	250,000.00	(197,602.74)	52,397.26	52,397.26	79.04%
127	100,000.00	(86,722.35)	13,277.65	13,277.65	86.72%
129	80,000.00	(41,600.00)	38,400.00	38,400.00	52.00%
130	150,000.00	(107,418.92)	42,581.08	42,581.08	71.61%
131	1,627,667.42	(1,373,768.27)	253,899.15	253,899.15	84.40%
135	20,000.00	(17,150.00)	2,850.00	2,850.00	85.75%
136	132,450.00	(92,715.00)	39,735.00	39,735.00	70.00%
137	350,000.00	(258,759.40)	91,240.60	91,240.60	73.93%
139	160,500.00	(114,938.25)	45,561.75	45,561.75	71.61%
140	6,000,000.00	(108,186.29)	5,891,813.71	5,891,813.71	1.80%
142	200,000.00	(153,928.88)	46,071.12	46,071.12	76.96%
143	1,115,281.25	(1,094,240.19)	21,041.06	21,041.06	98.11%
144	110,000.00	(77,000.00)	33,000.00	33,000.00	70.00%
146	100,000.00	(70,250.00)	29,750.00	29,750.00	70.25%
147	183,650.00	(152,555.00)	31,095.00	31,095.00	83.07%
150	1,425,000.00	(1,364,931.54)	60,068.46	60,068.46	95.78%
151	20,000.00	(14,000.00)	6,000.00	6,000.00	70.00%

Investor Unique Identifier	Sum of Total Money In	Sum of Total Money Out	Total Money In Less Total Money Out	Receiver's Recommended Allowed Claim Amount	Prior Recovery Rate (Sum of Total Money Out/Sum of Total Money In)
152	200,000.00	(134,112.50)	65,887.50	65,887.50	67.06%
154	60,000.00	(50,806.31)	9,193.69	9,193.69	84.68%
162	350,000.00	(310,287.19)	39,712.81	39,712.81	88.65%
164	45,000.00	(32,225.68)	12,774.32	12,774.32	71.61%
166	50,000.00	(35,806.31)	14,193.69	14,193.69	71.61%
167	508,295.00	(508,092.32)	202.68	202.68	99.96%
168	125,000.00	(114,463.52)	10,536.48	10,536.48	91.57%
169	134,911.49	(87,692.47)	47,219.02	47,219.02	65.00%
170	402,868.63	(261,864.61)	141,004.02	141,004.02	65.00%
171	600,000.00	(390,000.00)	210,000.00	210,000.00	65.00%
173	480,435.64	(312,283.17)	168,152.47	168,152.47	65.00%
174	50,000.00	(30,000.00)	20,000.00	20,000.00	60.00%
175	2,268,750.00	(1,365,000.00)	903,750.00	903,750.00	60.17%
176	259,500.00	(181,650.00)	77,850.00	77,850.00	70.00%
177	500,000.00	(365,115.45)	134,884.55	134,884.55	73.02%
179	419,500.00	(204,240.00)	215,260.00	215,260.00	48.69%
180	140,000.00	-	140,000.00	140,000.00	0.00%
181	440,000.00	(295,462.56)	144,537.44	144,537.44	67.15%
182	40,000.00	(26,000.00)	14,000.00	14,000.00	65.00%
183	10,000.00	(7,000.00)	3,000.00	3,000.00	70.00%
185	1,729,000.00	(1,275,214.57)	453,785.43	453,785.43	73.75%
186	496,981.24	(354,854.73)	142,126.51	142,126.51	71.40%
187	25,000.00	(17,500.00)	7,500.00	7,500.00	70.00%
189	185,000.00	(120,250.00)	64,750.00	64,750.00	65.00%
190	150,000.00	(97,500.00)	52,500.00	52,500.00	65.00%
191	997,000.00	(690,182.42)	306,817.58	306,817.58	69.23%
192	50,000.00	(33,119.50)	16,880.50	16,880.50	66.24%
193	1,000,000.00	(718,101.36)	281,898.64	281,898.64	71.81%
194	50,000.00	(33,119.50)	16,880.50	16,880.50	66.24%
195	50,000.00	(35,806.31)	14,193.69	14,193.69	71.61%
196	50,000.00	(32,500.00)	17,500.00	17,500.00	65.00%
198	100,000.00	(56,000.00)	44,000.00	44,000.00	56.00%
199	150,000.00	(119,250.34)	30,749.66	30,749.66	79.50%

Investor Unique Identifier	Sum of Total Money In	Sum of Total Money Out	Total Money In Less Total Money Out	Receiver's Recommended Allowed Claim Amount	Prior Recovery Rate (Sum of Total Money Out/Sum of Total Money In)
201	250,000.00	(179,031.54)	70,968.46	70,968.46	71.61%
202	300,000.00	(199,016.47)	100,983.53	100,983.53	66.34%
203	350,000.00	(243,376.73)	106,623.27	106,623.27	69.54%
204	250,000.00	(164,608.35)	85,391.65	85,391.65	65.84%
205	200,000.00	(188,513.75)	11,486.25	11,486.25	94.26%
206	330,000.00	(227,099.83)	102,900.17	102,900.17	68.82%
208	143,374.00	(141,773.05)	1,600.95	1,600.95	98.88%
209	163,052.91	(114,137.04)	48,915.87	48,915.87	70.00%
210	100,000.00	(76,745.68)	23,254.32	23,254.32	76.75%
211	500,000.00	(403,823.29)	96,176.71	96,176.71	80.76%
212	500,000.00	(395,395.34)	104,604.66	104,604.66	79.08%
213	550,000.00	(467,824.25)	82,175.75	82,175.75	85.06%
215	50,000.00	(35,806.31)	14,193.69	14,193.69	71.61%
218	200,000.00	(127,750.00)	72,250.00	72,250.00	63.88%
219	67,500.00	(53,719.69)	13,780.31	13,780.31	79.58%
221	148,794.24	(98,559.66)	50,234.58	50,234.58	66.24%
222	1,625,000.00	(1,143,484.96)	481,515.04	481,515.04	70.37%
223	168,430.62	(111,566.35)	56,864.27	56,864.27	66.24%
226	3,625,000.00	-	3,625,000.00	3,625,000.00	0.00%
229	200,000.00	(130,000.00)	70,000.00	70,000.00	65.00%
230	1,000,000.00	(671,000.00)	329,000.00	329,000.00	67.10%
231	150,000.00	(147,997.50)	2,002.50	2,002.50	98.67%
234	116,000.00	(83,070.63)	32,929.37	32,929.37	71.61%
235	100,000.00	(85,138.89)	14,861.11	14,861.11	85.14%
236	926,150.00	(901,688.92)	24,461.08	24,461.08	97.36%
237	10,000,000.00	(9,400,183.03)	599,816.97	599,816.97	94.00%
238	1,000,000.00	(820,796.47)	179,203.53	179,203.53	82.08%
239	130,000.00	(102,700.00)	27,300.00	27,300.00	79.00%
240	750,000.00	(487,500.00)	262,500.00	262,500.00	65.00%
243	250,000.00	(178,937.52)	71,062.48	71,062.48	71.58%
244	250,000.00	(199,034.93)	50,965.07	50,965.07	79.61%
245	400,000.00	(322,566.31)	77,433.69	77,433.69	80.64%
246	250,000.00	(162,500.00)	87,500.00	87,500.00	65.00%

Investor Unique Identifier	Sum of Total Money In	Sum of Total Money Out	Total Money In Less Total Money Out	Receiver's Recommended Allowed Claim Amount	Prior Recovery Rate (Sum of Total Money Out/Sum of Total Money In)
247	8,200,991.67	(6,310,079.69)	1,890,911.98	1,890,911.98	76.94%
249	400,000.00	(286,450.46)	113,549.54	113,549.54	71.61%
251	1,000,000.00	(847,729.46)	152,270.54	152,270.54	84.77%
252	1,805,000.00	(1,466,547.64)	338,452.36	338,452.36	81.25%
254	100,000.00	(65,000.00)	35,000.00	35,000.00	65.00%
255	75,000.00	(53,709.46)	21,290.54	21,290.54	71.61%
256	35,000.00	(17,250.00)	17,750.00	17,750.00	49.29%
257	300,000.00	(215,385.21)	84,614.79	84,614.79	71.80%
258	200,000.00	(144,050.41)	55,949.59	55,949.59	72.03%
260	50,000.00	(39,500.00)	10,500.00	10,500.00	79.00%
264	1,175,000.00	(823,785.37)	351,214.63	351,214.63	70.11%
265	7,550,000.00	(6,542,090.48)	1,007,909.52	1,007,909.52	86.65%
266	225,000.00	(177,000.00)	48,000.00	48,000.00	78.67%
267	235,955.00	(196,443.50)	39,511.50	39,511.50	83.25%
270	325,000.00	(211,250.00)	113,750.00	113,750.00	65.00%
271	57,000.00	(41,025.00)	15,975.00	15,975.00	71.97%
272	58,450.00	(56,878.75)	1,571.25	1,571.25	97.31%
273	90,660.02	(58,929.01)	31,731.01	31,731.01	65.00%
274	10,000.00	(7,161.26)	2,838.74	2,838.74	71.61%
275	180,000.00	(143,100.00)	36,900.00	36,900.00	79.50%
276	391,250.00	(286,177.28)	105,072.72	105,072.72	73.14%
277	589,490.00	(508,695.88)	80,794.12	80,794.12	86.29%
279	180,000.00	(119,230.20)	60,769.80	60,769.80	66.24%
280	251,541.66	(196,236.83)	55,304.83	55,304.83	78.01%
282	150,000.00	-	150,000.00	150,000.00	0.00%
283	50,000.00	(37,588.88)	12,411.12	12,411.12	75.18%
285	350,000.00	(280,685.62)	69,314.38	69,314.38	80.20%
287	300,000.00	(227,612.17)	72,387.83	72,387.83	75.87%
288	78,121.60	(72,685.12)	5,436.48	5,436.48	93.04%
289	142,500.00	(116,580.41)	25,919.59	25,919.59	81.81%
295	635,102.11	(488,983.53)	146,118.58	146,118.58	76.99%
299	300,000.00	(255,544.93)	44,455.07	44,455.07	85.18%
301	85,000.00	(55,250.00)	29,750.00	29,750.00	65.00%

Investor Unique Identifier	Sum of Total Money In	Sum of Total Money Out	Total Money In Less Total Money Out	Receiver's Recommended Allowed Claim Amount	Prior Recovery Rate (Sum of Total Money Out/Sum of Total Money In)
302	205,000.00	(156,671.95)	48,328.05	48,328.05	76.43%
303	89,775.00	(78,967.50)	10,807.50	10,807.50	87.96%
304	200,000.00	(156,043.84)	43,956.16	43,956.16	78.02%
305	1,512,454.00	(1,433,250.00)	79,204.00	79,204.00	94.76%
307	1,500,000.00	(1,047,177.53)	452,822.47	452,822.47	69.81%
309	50,000.00	(46,250.00)	3,750.00	3,750.00	92.50%
310	10,000.00	(7,000.00)	3,000.00	3,000.00	70.00%
311	260,500.00	(245,841.63)	14,658.37	14,658.37	94.37%
312	20,398.00	-	20,398.00	20,398.00	0.00%
313	200,000.00	(130,000.00)	70,000.00	70,000.00	65.00%
314	50,000.00	(33,119.50)	16,880.50	16,880.50	66.24%
315	291,000.00	(272,700.00)	18,300.00	18,300.00	93.71%
316	4,811,156.17	(4,712,031.14)	99,125.03	99,125.03	97.94%
317	350,000.00	(337,580.83)	12,419.17	12,419.17	96.45%
318	370,000.00	(283,061.68)	86,938.32	86,938.32	76.50%
319	237,500.00	(230,975.00)	6,525.00	6,525.00	97.25%
320	25,000.00	(16,252.42)	8,747.58	8,747.58	65.01%
323	1,866,000.00	(1,781,300.00)	84,700.00	84,700.00	95.46%
324	250,000.00	(241,927.50)	8,072.50	8,072.50	96.77%
325	250,000.00	(198,330.96)	51,669.04	51,669.04	79.33%
327	543,775.00	(353,453.75)	190,321.25	190,321.25	65.00%
328	8,570,000.00	(6,369,517.19)	2,200,482.81	2,200,482.81	74.32%
329	1,400,000.00	(1,067,791.39)	332,208.61	332,208.61	76.27%
330	225,000.00	(150,750.00)	74,250.00	74,250.00	67.00%
331	75,000.00	(55,420.61)	19,579.39	19,579.39	73.89%
334	100,000.00	(82,415.10)	17,584.90	17,584.90	82.42%
335	70,000.00	(50,128.83)	19,871.17	19,871.17	71.61%
336	700,000.00	(534,955.36)	165,044.64	165,044.64	76.42%
338	423,287.36	(275,136.78)	148,150.58	148,150.58	65.00%
339	1,173,750.00	(951,821.86)	221,928.14	221,928.14	81.09%
340	50,000.00	(35,806.31)	14,193.69	14,193.69	71.61%
343	100,000.00	(73,158.40)	26,841.60	26,841.60	73.16%
344	201,594.83	(131,036.64)	70,558.19	70,558.19	65.00%

Investor Unique Identifier	Sum of Total Money In	Sum of Total Money Out	Total Money In Less Total Money Out	Receiver's Recommended Allowed Claim Amount	Prior Recovery Rate (Sum of Total Money Out/Sum of Total Money In)
346	550,000.00	(471,250.00)	78,750.00	78,750.00	85.68%
347	91,000.00	(63,700.00)	27,300.00	27,300.00	70.00%
348	100,000.00	(65,000.00)	35,000.00	35,000.00	65.00%
349	200,000.00	(155,347.27)	44,652.73	44,652.73	77.67%
350	200,000.00	(148,538.72)	51,461.28	51,461.28	74.27%
351	203,750.00	(173,175.45)	30,574.55	30,574.55	84.99%
352	200,000.00	(130,000.00)	70,000.00	70,000.00	65.00%
354	170,500.00	(116,225.00)	54,275.00	54,275.00	68.17%
355	154,500.00	(123,673.65)	30,826.35	30,826.35	80.05%
356	100,000.00	(65,000.00)	35,000.00	35,000.00	65.00%
357	15,000.00	-	15,000.00	15,000.00	0.00%
359	250,000.00	(202,360.01)	47,639.99	47,639.99	80.94%
360	100,000.00	(65,000.00)	35,000.00	35,000.00	65.00%
361	250,000.00	(167,500.00)	82,500.00	82,500.00	67.00%
368	575,000.00	(547,417.81)	27,582.19	27,582.19	95.20%
370	75,000.00	(53,709.46)	21,290.54	21,290.54	71.61%
372	500,000.00	(403,077.39)	96,922.61	96,922.61	80.62%
373	200,000.00	(130,000.00)	70,000.00	70,000.00	65.00%
375	505,000.00	(393,215.77)	111,784.23	111,784.23	77.86%
376	100,000.00	(71,612.62)	28,387.38	28,387.38	71.61%
377	500,000.00	(148,219.09)	351,780.91	351,780.91	29.64%
378	50,000.00	(35,806.31)	14,193.69	14,193.69	71.61%
380	175,000.00	(157,431.25)	17,568.75	17,568.75	89.96%
381	581,692.91	(406,692.91)	175,000.00	175,000.00	69.92%
382	315,599.14	(205,139.44)	110,459.70	110,459.70	65.00%
383	50,000.00	(37,250.00)	12,750.00	12,750.00	74.50%
384	600,000.00	(533,706.74)	66,293.26	66,293.26	88.95%
385	195,000.00	(170,628.98)	24,371.02	24,371.02	87.50%
387	130,000.00	(93,096.40)	36,903.60	36,903.60	71.61%
388	1,925,000.00	(1,315,111.82)	609,888.18	609,888.18	68.32%
389	30,000.00	(24,593.35)	5,406.65	5,406.65	81.98%
390	400,000.00	(114,005.11)	285,994.89	285,994.89	28.50%
391	85,000.00	(82,952.84)	2,047.16	2,047.16	97.59%

Investor Unique Identifier	Sum of Total Money In	Sum of Total Money Out	Total Money In Less Total Money Out	Receiver's Recommended Allowed Claim Amount	Prior Recovery Rate (Sum of Total Money Out/Sum of Total Money In)
392	125,772.85	(90,920.85)	34,852.00	34,852.00	72.29%
394	100,000.00	(65,009.67)	34,990.33	34,990.33	65.01%
398	50,000.00	(33,500.00)	16,500.00	16,500.00	67.00%
399	50,000.00	(32,500.00)	17,500.00	17,500.00	65.00%
404	100,000.00	(71,612.62)	28,387.38	28,387.38	71.61%
405	664,000.00	(560,031.21)	103,968.79	103,968.79	84.34%
406	199,970.00	(147,461.86)	52,508.14	52,508.14	73.74%
411	100,000.00	(71,612.62)	28,387.38	28,387.38	71.61%
412	2,275.00	(1,592.50)	682.50	682.50	70.00%
415	1,000,000.00	(662,390.00)	337,610.00	337,610.00	66.24%
416	180,000.00	(130,500.00)	49,500.00	49,500.00	72.50%
417	125,000.00	(101,181.84)	23,818.16	23,818.16	80.95%
423	100,000.00	(71,612.62)	28,387.38	28,387.38	71.61%
425	15,000.00	(12,525.00)	2,475.00	2,475.00	83.50%
426	100,000.00	(78,473.15)	21,526.85	21,526.85	78.47%
427	1,574,762.00	(1,231,478.27)	343,283.73	343,283.73	78.20%
430	25,000.00	(18,967.68)	6,032.32	6,032.32	75.87%
431	125,000.00	(88,600.00)	36,400.00	36,400.00	70.88%
432	200,000.00	(143,225.23)	56,774.77	56,774.77	71.61%
434	100,000.00	(71,914.56)	28,085.44	28,085.44	71.91%
435	108,000.00	(75,113.55)	32,886.45	32,886.45	69.55%
436	250,000.00	(180,473.97)	69,526.03	69,526.03	72.19%
437	300,000.00	(231,316.72)	68,683.28	68,683.28	77.11%
439	50,000.00	(35,806.31)	14,193.69	14,193.69	71.61%
441	7,987,739.72	(7,337,601.20)	650,138.52	650,138.52	91.86%
442	200,000.00	(140,000.00)	60,000.00	60,000.00	70.00%
443	100,000.00	(79,000.00)	21,000.00	21,000.00	79.00%
446	2,000,000.00	-	2,000,000.00	2,000,000.00	0.00%
447	50,000.00	(33,500.00)	16,500.00	16,500.00	67.00%
448	100,000.00	(74,500.00)	25,500.00	25,500.00	74.50%
450	30,000.00	(21,000.00)	9,000.00	9,000.00	70.00%
451	100,000.00	(70,249.96)	29,750.04	29,750.04	70.25%
Grand Total	207,410,172.00	(155,097,759.79)	52,312,412.21	52,312,412.21	

EXHIBIT D

EXHIBIT D

Creditor Type	Investor Unique Identifier	Recommended Claim/MIMO Net Loss Amount	Receiver Recommendation	Reason for Proposed Claim Amounts to be Disallowed (see also the Motion narrative for further explanation)
Investor	62	78,750.00	Allow at Receiver's Net Loss Amount	Reserving right to dispute Receiver's recommended rising tide methodology to calculate Prior Recovery Rate.
Investor	63	9,520,080.13	Allow at Receiver's Net Loss Amount	Claims priority, security interest.
Investor	147	31,095.00	Allow at Receiver's Net Loss Amount	Investor misunderstands the difference between actual payments into the Scheme vs. the rollover of existing funds into a new promissory note. Investor did not provide records to support any additional cash deposits.
Investor	198	44,000.00	Allow at Receiver's Net Loss Amount	Investor believes she deposited an additional \$50,000. Could not provide any records in support of deposit. Books and records do not reflect deposit consistent with investors assertion.
Investor	199	30,749.66	Allow at Receiver's Net Loss Amount	Reserving right to dispute Receiver's recommended rising tide methodology to calculate Prior Recovery Rate.
Investor	237	599,816.97	Allow at Receiver's Net Loss Amount	Reserving right to dispute Receiver's recommended rising tide methodology to calculate Prior Recovery Rate.
Investor	247	1,890,911.98	Allow at Receiver's Net Loss Amount	Reserving right to dispute Receiver's recommended rising tide methodology to calculate Prior Recovery Rate.
Investor	305	79,204.00	Allow at Receiver's Net Loss Amount	Dispute regarding the treatment of a \$750,000 investment made by ANI in investor entity.
Investor	380	17,568.75	Allow at Receiver's Net Loss Amount	Investor is refusing to sign updated claim form until he receives his CTC settlement payment. Investor originally signed claim form for investment which was ultimately disaggregated (so revised/corrected claim form signature is needed), and now refuses to sign updated claim form reflecting CTC settlement.
Investor	381	175,000.00	Allow at Receiver's Net Loss Amount	Reserving right to dispute Receiver's recommended rising tide methodology to calculate Prior Recovery Rate.
Investor	384	66,293.26	Allow at Receiver's Net Loss Amount	Reserving right to dispute Receiver's recommended rising tide methodology to calculate Prior Recovery Rate.
Investor	385	24,371.02	Allow at Receiver's Net Loss Amount	Reserving right to dispute Receiver's recommended rising tide methodology to calculate Prior Recovery Rate.
Investor	443	21,000.00	Allow at Receiver's Net Loss Amount	Investor believes an unrelated buyout of a partner with his Scheme investment funds should be reflected in his net loss calculation. Books and records reflect his receipt of \$5,000 from the Scheme, the Receiver cannot disregard this payment because Investor paid those funds to a partner in another investment.

EXHIBIT E

EXHIBIT E

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
CASE NO. 3:19-cv-01628-LAB-AHG

INVESTOR PROOF OF CLAIM FORM

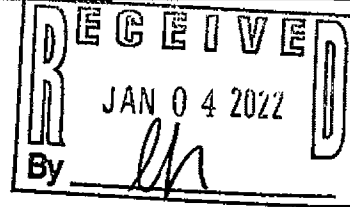
SECURITIES AND EXCHANGE COMMISSION

vs.

GINA CHAMPION-CAIN; ANI DEVELOPMENT, LLC;
DEFENDANTS

and

AMERICAN NATIONAL INVESTMENTS, INC.;
RELIEF DEFENDANT



THIS SPACE RESERVED FOR ADMINISTRATIVE
USE ONLY

PLEASE READ THE ACCOMPANYING LETTER INSTRUCTIONS BEFORE COMPLETING
THIS FORM, IT MUST BE RETURNED ON OR BEFORE **DECEMBER 31, 2021**

As reflected in Section 3 below, the Receiver has calculated the Net Loss Amount, the net amount of actual payments you made to and received from the Receivership Entities or others in connection with the scheme.

If the investor name and amounts listed in Section 3 below are consistent with your records, you do not need to provide any documents or further information; you need to simply complete and sign this Proof of Claim Form, complete and sign the enclosed W9 Form, and return both forms to: **E3 Advisors, Attn: ANI Claims Process Administrator, 501 West Broadway, Suite 290, San Diego, CA 92101.**

If your records are not consistent with the investor name or amounts listed in Section 3 below, you will need to provide further documentation, as described on the last page of this document. Please keep in mind that pursuant to the Court's order, an allowed claim shall not include claims for interest, late fees, contract or other damages, contingent or liquidated damages, or legal fees incurred.

The Receiver will review each Proof of Claim Form, attempt to resolve any questions or disputes directly with the claimant, and will ultimately make a recommendation to the Court to allow or disallow part or all of the claim. Claimants will receive notice and an opportunity to respond if the Receiver disagrees with the amount stated on their claim. For claims that are allowed, distributions will be made pursuant to a Court-approved distribution plan. The amount distributed will depend on the total amount of allowed claims, the total assets available for distribution, and the terms of the distribution plan.

Submission of a claim does not guarantee the claims will be allowed or any payment will be made. The claim must be allowed by the United States District Court for the Southern District of California ("Court").

ADDRESS OF CLAIMANT:

() Check this box **ONLY** if your current address or contact information has changed and, if so, please print your updated address and/or contact information here:

Updated Address: _____

N/A _____

Telephone No. of Claimant: N/A _____

Email Address of Claimant: N/A _____

() Check this box **ONLY** if you have an alternative contact for your investments. If so, please include all contact details here (you must also attach a Power of Attorney, Death Certificate, Trust Beneficiary, or other legal documentation, as applicable, which legally authorizes contact with such individual or entity):

Alternative Contact Name: N/A

Alternative Contact Address: N/A

Telephone No. of Alternative Contact: N/A

Email Address of Alternative Contact: N/A

Please complete the following:

1. Was your investment/loan made from an IRA account?

YES / **(NO)**

If YES, please print the IRA Custodian name, address and phone number as well as your account number here:

Custodian Name and Address: _____

N/A

Telephone No. of Custodian: N/A

Email Address of Custodian: N/A

Account Number: N/A

2. Name as it should appear on distribution check (if YES on Item 1. above, be certain to clarify if such payment is to be made payable to and sent directly to the IRA Custodian or to you individually):

Payee: 2BUDZ HOLDING LLC

Payment Address (only IF different than address on file):

Payment Address: _____

N/A

NET LOSS CALCULATION(S):

According to the records of the Receivership Entities, it appears, you have made the following investments in and received the following payments from the Receivership Entities or others in connection with the scheme (to include payments to you made from Chicago Title):

DETAILED CHART ON FOLLOWING PAGE(s)

Unique Identifier	E3 Description	Date	Amount
305	Wakefield, Wade & Glassberg, Greg - 2BUDZ Holding, LLC	5/12/2017	1,500,000.00 *
305	Wakefield, Wade & Glassberg, Greg - 2BUDZ Holding, LLC	12/19/2017	(41,250.00)
305	Wakefield, Wade & Glassberg, Greg - 2BUDZ Holding, LLC	1/29/2018	(78,750.00)
305	Wakefield, Wade & Glassberg, Greg - 2BUDZ Holding, LLC	2/14/2018	(126,000.00)
305	Wakefield, Wade & Glassberg, Greg - 2BUDZ Holding, LLC	9/19/2018	(49,500.00)
305	Wakefield, Wade & Glassberg, Greg - 2BUDZ Holding, LLC	10/10/2018	(45,000.00)
305	Wakefield, Wade & Glassberg, Greg - 2BUDZ Holding, LLC	10/29/2018	(49,500.00)
305	Wakefield, Wade & Glassberg, Greg - 2BUDZ Holding, LLC	12/28/2018	(126,000.00)
305	Wakefield, Wade & Glassberg, Greg - 2BUDZ Holding, LLC	4/25/2019	12,454.00 ***
305	Wakefield, Wade & Glassberg, Greg - 2BUDZ Holding, LLC	6/18/2019	(41,250.00)
305	Wakefield, Wade & Glassberg, Greg - 2BUDZ Holding, LLC	7/8/2019	(126,000.00)
305	Wakefield, Wade & Glassberg, Greg - 2BUDZ Holding, LLC		(750,000.00)**

Total Money In Pre-Receivership	1,512,454.00
Total Money Out Pre-Receivership	(1,433,250.00)
Total Money Out - CTC Settlement	-
Net Loss/(Gain)	<u>79,204.00****</u>

Prior Recovery Rate (Total Money Out/Total Money In) 94.76%

*Be advised that 2Budz Holding, LLC ("Claimant" or "2Budz") hereby claims interest and additional damages not shown above, meaning return of the above sum, or any portion thereof, will not satisfy in full Claimant's claim. Please be further advised that Claimant currently has pending in the Superior Court for the County of San Diego a lawsuit (case no. 37-2020-00012568) that seeks recovery of all sums provided to Chicago Title for safekeeping, including the above amount, and additional damages, and looks to that lawsuit to make Claimant whole notwithstanding any sums that may be paid out of the Receivership Estate. Be further advised that Claimant, by completing this Claim Form, does not expressly or impliedly consent to any representation of Claimant by Receiver in this forum or any other forum, including but not limited to any lawsuit that may be filed by Receiver in the Superior Court. Lastly, be advised that this Claim Form is being completed and submitted solely to avoid the loss of any rights that Claimant may have to share in the sums generated in the Receivership Estate as a putative creditor thereof, and no other inferences may be made or implied by this submission.

**The \$750,000 received from ANI is not a return of principal or interest to Claimant. Rather, that sum represents the purchase of a membership interests in 2Budz pursuant to June 19, 2018 and August 6, 2018 subscription agreements (attachments 1 and 2 hereto) in payments of \$500,000 and \$250,000 (attachments 3 and 4 hereto). Upon becoming a member of 2Budz, ANI received all materials appurtenant thereto, including K-1s for 2018, 2019 and 2020 (attachments 5, 6 & 7) and a distribution (attachment 8). The \$750,000 should be added back to the total amount 2Budz is claiming from Chicago Title and, to the extent required, via this Claim Form.

***The April 25, 2019 payment of \$12,454 was a distribution paid to ANI as a result of ANI's membership interest in 2Budz, and does not represent an additional sum provided to Chicago Title for safekeeping. This sum should be removed from this chart.

****In light of the foregoing explanation and the submitted documentation, the proper amount on this Claim Form (subject to the * above), is as follows: \$816,750 which represents the \$1,500,000 original sum minus \$683,250 in interest payments, removing both the \$750,000 member subscription and the \$12,454 distribution, which results in a 45% recovery rate.

NB: All of the referenced documents were provided to the Receiver's counsel on 9/27/19, 10/1/19, 9/4/20, and 10/7/21 via email.

If the information above is not consistent with your records (investor name or amounts), you will need to provide corrected information in the same format as Section 3 above (attach additional sheets if necessary) and supporting documentation, further discussed below.

3. **Supporting Documents:** **DO NOT SEND** copies of supporting documents if you agree with the information listed in Section 3 above. However, if you dispute the investor name or amounts listed in Section 3 above, **DO SEND COPIES ONLY** of all documents which support your corrected investment information along with your completed and signed Proof of Claim and W9 Forms to: E3 Advisors, Attn: ANI Claims Process Administrator, 501 West Broadway, Suite 290, San Diego, CA 92101. Examples of supporting documentation include bank statements, canceled checks, wire transfer documents, contracts, email messages, or other written correspondence. If the Receiver has questions or needs further information, her office will contact you.

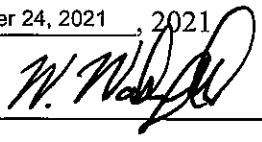
4. **Date Stamped Copy:** To receive an acknowledgement of the filing of your Proof of Claim Form, please enclose a stamped, self-addressed envelope and an additional copy of this Proof of Claim Form.

5. **Signature:** Sign and print the name and title, if any, of the claimant or other person authorized to file this claim (attach copy of power of attorney, death certificate, trust beneficiary, or other documents as needed). **YOU MUST PROVIDE AN ORIGINAL SIGNATURE.**

PLEASE NOTE that we cannot provide you with tax or legal advice relating to your claim. If you have concerns about the tax or legal implications of your claim, please contact an attorney or your tax advisor.

By Signing My Name Below, I Acknowledge and Affirm that: I will supplement this Proof of Claim Form if any information given later becomes inaccurate or incomplete; 2Budz Holding is a creditor of the Receivership Entities; I hereby affirm that the answers provided herein are truthful; and that I understand that this Proof of Form is submitted under penalty of perjury.

Date: December 24, 2021, 2021

Signature:  Name: 2BUDZ HOLDING LLC

Title (if any) MANAGER*****

*****The Articles of Organization of 2Budz Holding LLC are supplied herewith.

Signature: Name:

Title (if any)

EXHIBIT 1

SUBSCRIPTION AGREEMENT

SECURITIES SUBJECT HERETO HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS AND NEITHER SUCH SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE OWNER OF SUCH SECURITIES, WHICH COUNSEL AND OPINION ARE REASONABLY SATISFACTORY TO THE COMPANY, THAT SUCH SECURITIES, OR INTEREST THEREIN, MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR TRANSFERRED IN THE MANNER CONTEMPLATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR APPLICABLE STATE SECURITIES LAWS.

2Budz Holding, LLC
23050 N. 63rd Avenue
Glendale, AZ 85310

Ladies and Gentlemen:

1. Subscription.

(a) Pursuant to that Private Placement Memorandum ("PPM") of 2Budz Holding, LLC, an Arizona limited liability company (the "Company") dated June 7, 2018, the undersigned (the "Subscriber") hereby subscribes to purchase from the Company Units representing membership interests in the Company at a purchase price of \$100.00 per Unit. An investor may purchase more than one (1) Unit, but not less than one hundred (100) Units. The number of Units purchased is set forth on the signature page hereof on the terms and subject to the conditions set forth in this Agreement, for the aggregate purchase price set forth on the signature page hereto.

(b) The Subscriber should return two (2) executed, completed copies of this Agreement to the Company at its address set forth above, and wire Subscriber's payment to the Company's account as indicated on Exhibit A in the full amount of the aggregate purchase price set forth on the signature page hereto.

(c) Promptly after the receipt of payment as described in Section 1(b) above, the Company shall issue to the Subscriber that number of Units subscribed for (the "Closing"). If the Company does not accept this subscription, in whole or in part, it will refund to the Subscriber, without deduction therefrom or interest thereon, any subscription payment received from the Subscriber which was not accepted by the Company within twenty (20) days.

(d) The Company strongly advises the Subscriber to review the Company's business, properties and affairs before entering into this Agreement or subscribing for Units.

(e) **The Subscriber understands that the Company invests in development stage companies. Therefore, the Company's prospects must be evaluated in light of the risks and uncertainties encountered by such companies.**

2. Conditions. This subscription is made subject to the following terms and conditions:

(a) The Company may accept or reject this subscription in whole or in part.

(b) The Company shall have executed and delivered this Agreement, and all the representations and warranties set forth herein shall have been true and correct when made and as of each Closing.

3. Subscriber's Representations and Warranties. The Subscriber hereby represents and warrants to, and covenants with, the Company as follows:

(a) For Massachusetts individuals: If the Subscriber is a Massachusetts resident, his or her investment in the Company will not exceed 25% of his or her joint net worth with his or her spouse (exclusive of principal residence and its furnishings).

(b) If a natural person, the Subscriber is: a bona fide resident of the State contained in the address set forth on the signature page of this Agreement as the Subscriber's home address; at least 21 years of age; and legally competent to execute this Agreement. If an entity, the Subscriber is duly authorized to execute this Agreement and this Agreement constitutes the legal, valid and binding obligation of the Subscriber enforceable against the Subscriber according to its terms.

(c) **The Subscriber has received all materials that have been requested by the Subscriber; has had a reasonable opportunity to ask questions of the Company and its representatives; and the Company has answered all inquiries that the Subscriber or the Subscriber's representatives have put to it. The Subscriber has had access to all additional information necessary to verify the accuracy of the information set forth in this Agreement and any other materials furnished herewith, and has taken all the steps necessary to evaluate the merits and risks of an investment as proposed hereunder.**

(d) The Subscriber has such knowledge and experience in finance, securities, investments and other business matters so as to be able to protect the interests of the Subscriber concerning this transaction, and the Subscriber's investment in the Company hereunder is not material when compared to the Subscriber's total financial capacity.

(e) **The Subscriber understands the various risks of an investment in the Company as proposed herein and can afford to bear such risks, including, without limitation, the risks of losing its entire investment.**

(f) The Subscriber acknowledges that no market for the Company's securities presently exists and it is unlikely that one will develop in the future, and that the Subscriber may find it impossible to liquidate the investment at a time when it may be desirable to do so, or at any other time.

(g) The Subscriber is aware the Units have not been registered under the Act, that the Units will be issued on the basis of the statutory exemption provided by Section 4(2) of the Act or Regulation D promulgated thereunder, or both, relating to transactions by an issuer not involving any public offering and under similar exemptions under certain state securities laws, that this transaction has not been reviewed by, passed on or submitted to any Federal or state agency or self-regulatory organization where an exemption is being relied upon, and that the Company's reliance thereon is based in part upon the representations made by the Subscriber in this Agreement. The Subscriber acknowledges that the Subscriber has been informed by the Company, or is otherwise familiar with, the nature of the limitations imposed by the Act (and applicable state securities laws) and the rules and regulations thereunder on the transfer of securities. In particular, the Subscriber agrees that no sale, assignment or transfer of any of the Units shall be valid or effective, and the Company shall not be required to give any effect to such sale, assignment or transfer, unless (i) such sale, assignment or transfer is registered under the Act (and applicable state securities laws), it being understood that the Units are not currently registered for sale and that the Company has no obligation or intention to so register the Units, except as contemplated hereunder or (ii) any of the Units are sold, assigned or transferred in accordance with all the requirements and limitations of Rule 144 under the Act, it being understood that Rule 144 is not available at the present time for the sale of the Units, or (iii) such sale, assignment or transfer is otherwise exempt from the registration under the Act (and applicable state securities laws). The Subscriber further understands that an opinion of counsel and other documents may be required to transfer the Units. The Subscriber acknowledges that the certificates evidencing the Units shall bear the following, or a substantially similar legend, and such other legends as may be required by state blue sky laws:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE. SUCH SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE ISSUER OF SUCH SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE OPERATING AGREEMENT OF THE ISSUER, AND NONE OF SUCH SECURITIES, OR ANY INTEREST THEREIN, SHALL BE TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF EXCEPT AS PROVIDED IN SUCH AGREEMENT, A COPY OF WHICH IS ON FILE IN THE OFFICE OF THE ISSUER AND WILL BE MADE AVAILABLE FOR INSPECTION TO ANY PROPERLY INTERESTED PERSON WITHOUT CHARGE WITHIN FIVE (5) WORKING DAYS AFTER THE ISSUER'S RECEIPT OF A WRITTEN REQUEST."

(h) The Subscriber is acquiring the Units for the Subscriber's own account for investment and not with a view to the sale or distribution thereof or the granting of any

(e) **The Subscriber understands that the Company invests in development stage companies. Therefore, the Company's prospects must be evaluated in light of the risks and uncertainties encountered by such companies.**

2. Conditions. This subscription is made subject to the following terms and conditions:

(a) The Company may accept or reject this subscription in whole or in part.

(b) The Company shall have executed and delivered this Agreement, and all the representations and warranties set forth herein shall have been true and correct when made and as of each Closing.

3. Subscriber's Representations and Warranties. The Subscriber hereby represents and warrants to, and covenants with, the Company as follows:

(a) For Massachusetts individuals: If the Subscriber is a Massachusetts resident, his or her investment in the Company will not exceed 25% of his or her joint net worth with his or her spouse (exclusive of principal residence and its furnishings).

(b) If a natural person, the Subscriber is: a bona fide resident of the State contained in the address set forth on the signature page of this Agreement as the Subscriber's home address; at least 21 years of age; and legally competent to execute this Agreement. If an entity, the Subscriber is duly authorized to execute this Agreement and this Agreement constitutes the legal, valid and binding obligation of the Subscriber enforceable against the Subscriber according to its terms.

(c) **The Subscriber has received all materials that have been requested by the Subscriber; has had a reasonable opportunity to ask questions of the Company and its representatives; and the Company has answered all inquiries that the Subscriber or the Subscriber's representatives have put to it. The Subscriber has had access to all additional information necessary to verify the accuracy of the information set forth in this Agreement and any other materials furnished herewith, and has taken all the steps necessary to evaluate the merits and risks of an investment as proposed hereunder.**

(d) The Subscriber has such knowledge and experience in finance, securities, investments and other business matters so as to be able to protect the interests of the Subscriber concerning this transaction, and the Subscriber's investment in the Company hereunder is not material when compared to the Subscriber's total financial capacity.

(e) **The Subscriber understands the various risks of an investment in the Company as proposed herein and can afford to bear such risks, including, without limitation, the risks of losing its entire investment.**

(f) The Subscriber acknowledges that no market for the Company's securities presently exists and it is unlikely that one will develop in the future, and that the Subscriber may find it impossible to liquidate the investment at a time when it may be desirable to do so, or at any other time.

(g) The Subscriber is aware the Units have not been registered under the Act, that the Units will be issued on the basis of the statutory exemption provided by Section 4(2) of the Act or Regulation D promulgated thereunder, or both, relating to transactions by an issuer not involving any public offering and under similar exemptions under certain state securities laws, that this transaction has not been reviewed by, passed on or submitted to any Federal or state agency or self-regulatory organization where an exemption is being relied upon, and that the Company's reliance thereon is based in part upon the representations made by the Subscriber in this Agreement. The Subscriber acknowledges that the Subscriber has been informed by the Company, or is otherwise familiar with, the nature of the limitations imposed by the Act (and applicable state securities laws) and the rules and regulations thereunder on the transfer of securities. In particular, the Subscriber agrees that no sale, assignment or transfer of any of the Units shall be valid or effective, and the Company shall not be required to give any effect to such sale, assignment or transfer, unless (i) such sale, assignment or transfer is registered under the Act (and applicable state securities laws), it being understood that the Units are not currently registered for sale and that the Company has no obligation or intention to so register the Units, except as contemplated hereunder or (ii) any of the Units are sold, assigned or transferred in accordance with all the requirements and limitations of Rule 144 under the Act, it being understood that Rule 144 is not available at the present time for the sale of the Units, or (iii) such sale, assignment or transfer is otherwise exempt from the registration under the Act (and applicable state securities laws). The Subscriber further understands that an opinion of counsel and other documents may be required to transfer the Units. The Subscriber acknowledges that the certificates evidencing the Units shall bear the following, or a substantially similar legend, and such other legends as may be required by state blue sky laws:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE. SUCH SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE ISSUER OF SUCH SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE OPERATING AGREEMENT OF THE ISSUER, AND NONE OF SUCH SECURITIES, OR ANY INTEREST THEREIN, SHALL BE TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF EXCEPT AS PROVIDED IN SUCH AGREEMENT, A COPY OF WHICH IS ON FILE IN THE OFFICE OF THE ISSUER AND WILL BE MADE AVAILABLE FOR INSPECTION TO ANY PROPERLY INTERESTED PERSON WITHOUT CHARGE WITHIN FIVE (5) WORKING DAYS AFTER THE ISSUER'S RECEIPT OF A WRITTEN REQUEST."

(h) The Subscriber is acquiring the Units for the Subscriber's own account for investment and not with a view to the sale or distribution thereof or the granting of any

participation therein, and has no present intention of distributing or selling to others any of such interest or granting participations therein.

(i) The Subscriber is not subscribing for the Units because of or following any advertisement, article, notice or other communication published in any newspaper, magazine or internet site or similar media or broadcast over television or radio, or presented at any seminar or meeting, or any solicitation or a subscription by a person other than a representative of the Company.

(j) The Subscriber is not relying on the Company with respect to the tax and other economic considerations of an investment in the Units.

(k) The Subscriber acknowledges that the representations, warranties and agreements made by the Subscriber herein shall survive the execution and delivery of this Agreement.

(l) Except as disclosed to the Company in writing prior to Closing, the undersigned represents and warrants that no agent, broker, investment banker, person or firm acting on behalf of or under the authority of the undersigned is or will be entitled to any broker's or finder's fee or any other commission directly or indirectly in connection with the Subscriber's transactions contemplated herein. The undersigned further agrees to indemnify the Company for any claims, losses or expenses incurred by the Company as a result of the representation in this Section 3(m) being untrue.

4. Representations and Warranties of the Company. The Company represents and warrants to the Subscriber as follows:

(a) Due Formation. The Company: (i) is a limited liability company duly organized and validly existing under the laws of the jurisdiction of its formation; (ii) has all requisite limited liability company power, and has all material governmental licenses, authorizations, consents and approvals necessary to own its assets and carry on its business as now being or as proposed to be conducted; and (iii) is qualified to do business in all jurisdictions in which the nature of the business conducted by it makes such qualification necessary and where failure so to qualify would have a material adverse effect on the financial condition, operations or business of the Company taken as a whole.

(b) Legal Proceedings. Except as set forth in the PPM there are no legal or arbitral proceedings or any proceedings by or before any governmental or regulatory authority or agency, now pending or (to the knowledge of the Company) threatened against the Company which, if adversely determined, could have a material adverse effect on the consolidated financial condition, operations or business of the Company taken as a whole.

(c) No Conflicts. None of the execution and delivery of this Agreement, the consummation of the transactions herein contemplated or the compliance with the terms and provisions hereof will conflict with or result in a breach of, or require any consent under, the charter or bylaws of the Company, or any applicable law or regulation, or any order, writ, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which the Company is a party or by which it is bound or to which it is subject, or

constitute a default under any such agreement or instrument, or result in the creation or imposition of any lien upon any of the revenues or assets of the Company pursuant to the terms of any such agreement or instrument.

(d) Authority. The Company has all necessary limited liability company power and authority to execute, deliver and perform its obligations under this Agreement; the execution, delivery and performance by the Company of this Agreement has been duly authorized by all necessary limited liability company action on its part; and the Units have been, and will be, validly issued, fully paid and non-assessable when issued in accordance with this Agreement.

(e) Consents. No authorizations, approvals or consents of, and no filings or registrations with, any governmental or regulatory authority or agency are necessary for the execution, delivery or performance by the Company of this Agreement or for the issuance of the Units.

(f) Authorized Capital. Immediately prior to the Closing, 80,000 Units are issued and outstanding.

(g) No Brokers or Finders. Except as disclosed to the Subscriber in writing, no agent, broker, investment banker, person or firm acting on behalf of or under the authority of the Company is or will be entitled to any broker's or finder's fee or any other commission directly or indirectly in connection with the Subscriber's purchase hereunder. The Company further agrees to indemnify the Subscriber for any claims, losses or expenses incurred by the Company as a result of the representation in this Section 4(g) being untrue.

5. Transferability. Neither this Agreement, nor any interest of the Subscriber herein, shall be assignable or transferable by the Subscriber in whole or in part, except by operation of law.

6. Miscellaneous.

(a) Notice. Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be mailed by certified mail, return receipt requested, or by Federal Express, Express Mail or similar overnight delivery or courier service or delivered by facsimile transmission to whom it is to be given, if to the Company, at the address set forth on the first page hereof, if to the Subscriber, at the address set forth on the signature page hereof, or in either case, to such other address or facsimile number as the party shall have furnished in writing in accordance with the provisions of this Section 6(a). Notice to the estate of any party shall be sufficient if addressed to the party as provided in this Section 6(a). Any notice or other communication given by certified mail shall be deemed given at the time of certification thereof, except for a notice changing a party address which shall be deemed given at the time of receipt thereof. Any notice given by other means permitted by this Section 6(a) shall be deemed given at the time of receipt thereof.

(b) Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto, the successors and assigns of the Company, and the permitted successors, assigns, heirs and personal representatives of the Subscriber.

(c) Headings. The headings in this Agreement are solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

(d) Choice of Law. This Agreement has been negotiated and shall be consummated in the State of Arizona and shall be governed by and construed in accordance with the laws of the State of Arizona without regard to its principles of conflicts of law.

(e) Counterparts and Effect of Signature. This Agreement may be executed in any number of counterparts and by facsimile, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. **Subscriber's signature to this Agreement authorizes the Company to act as attorney-in-fact and sign the Company's Operating Agreement on behalf of Subscriber. Upon signing this Agreement and delivering the required funds to the Company, Subscriber will become a party to the Company's Operating Agreement as a Member.**

(f) Entire Agreement; Oral Modification. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof, and all agreements entered into prior hereto are revoked and superseded by this Agreement, and no representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein and therein. This Agreement may not be changed, modified or rescinded except in writing, signed by the Company and subscribers holding a majority in interest of the Units, and any attempt at oral modification of this Agreement shall be void and of no effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year this subscription has been accepted by the Company as set forth below.

Number of Units being purchased:

5,000

American National Investments, Inc.
Name of Subscriber

Purchase Price (@\$100.00 per Unit):

\$500,000.00

Signature: [Signature]

Printed Name: Gina Champion - can

Title (if applicable): CEO

**IMPORTANT: SUBSCRIBER MUST INITIAL
THE APPROPRIATE REPRESENTATION
ABOVE BEFORE THE COMPANY WILL
CONSIDER THIS SUBSCRIPTION**

Social Security Number/Taxpayer Identification
Number: _____

Address: 3515 Hancock St, Ste 200
San Diego, CA 92110

If the Unit will be held as joint tenants, tenants in
common, or community property, please complete the
following:

Print Name of spouse or other co-subscriber

Signature of spouse or other co-subscriber

Print manner in which Units will be held

Social Security Number of co-subscriber

Accepted by:

2Budz Holding, LLC

By: 

Name: Wade Wakefield

Title: Manager

Date: June 19, 2018

EXHIBIT 2

SUBSCRIPTION AGREEMENT

SECURITIES SUBJECT HERETO HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS AND NEITHER SUCH SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE OWNER OF SUCH SECURITIES, WHICH COUNSEL AND OPINION ARE REASONABLY SATISFACTORY TO THE COMPANY, THAT SUCH SECURITIES, OR INTEREST THEREIN, MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR TRANSFERRED IN THE MANNER CONTEMPLATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR APPLICABLE STATE SECURITIES LAWS.

2Budz Holding, LLC
23050 N. 63rd Avenue
Glendale, AZ 85310

Ladies and Gentlemen:

1. Subscription.

(a) Pursuant to that Private Placement Memorandum ("PPM") of 2Budz Holding, LLC, an Arizona limited liability company (the "Company") dated June 7, 2018, the undersigned (the "Subscriber") hereby subscribes to purchase from the Company Units representing membership interests in the Company at a purchase price of \$100.00 per Unit. An investor may purchase more than one (1) Unit, but not less than one hundred (100) Units. The number of Units purchased is set forth on the signature page hereof on the terms and subject to the conditions set forth in this Agreement, for the aggregate purchase price set forth on the signature page hereto.

(b) The Subscriber should return two (2) executed, completed copies of this Agreement to the Company at its address set forth above, and wire Subscriber's payment to the Company's account as indicated on Exhibit A in the full amount of the aggregate purchase price set forth on the signature page hereto.

(c) Promptly after the receipt of payment as described in Section 1(b) above, the Company shall issue to the Subscriber that number of Units subscribed for (the "Closing"). If the Company does not accept this subscription, in whole or in part, it will refund to the Subscriber, without deduction therefrom or interest thereon, any subscription payment received from the Subscriber which was not accepted by the Company within twenty (20) days.

(d) The Company strongly advises the Subscriber to review the Company's business, properties and affairs before entering into this Agreement or subscribing for Units.

(e) **The Subscriber understands that the Company invests in development stage companies. Therefore, the Company's prospects must be evaluated in light of the risks and uncertainties encountered by such companies.**

2. Conditions. This subscription is made subject to the following terms and conditions:

(a) The Company may accept or reject this subscription in whole or in part.

(b) The Company shall have executed and delivered this Agreement, and all the representations and warranties set forth herein shall have been true and correct when made and as of each Closing.

3. Subscriber's Representations and Warranties. The Subscriber hereby represents and warrants to, and covenants with, the Company as follows:

(a) For Massachusetts individuals: If the Subscriber is a Massachusetts resident, his or her investment in the Company will not exceed 25% of his or her joint net worth with his or her spouse (exclusive of principal residence and its furnishings).

(b) If a natural person, the Subscriber is: a bona fide resident of the State contained in the address set forth on the signature page of this Agreement as the Subscriber's home address; at least 21 years of age; and legally competent to execute this Agreement. If an entity, the Subscriber is duly authorized to execute this Agreement and this Agreement constitutes the legal, valid and binding obligation of the Subscriber enforceable against the Subscriber according to its terms.

(c) **The Subscriber has received all materials that have been requested by the Subscriber; has had a reasonable opportunity to ask questions of the Company and its representatives; and the Company has answered all inquiries that the Subscriber or the Subscriber's representatives have put to it. The Subscriber has had access to all additional information necessary to verify the accuracy of the information set forth in this Agreement and any other materials furnished herewith, and has taken all the steps necessary to evaluate the merits and risks of an investment as proposed hereunder.**

(d) The Subscriber has such knowledge and experience in finance, securities, investments and other business matters so as to be able to protect the interests of the Subscriber concerning this transaction, and the Subscriber's investment in the Company hereunder is not material when compared to the Subscriber's total financial capacity.

(e) **The Subscriber understands the various risks of an investment in the Company as proposed herein and can afford to bear such risks, including, without limitation, the risks of losing its entire investment.**

(f) The Subscriber acknowledges that no market for the Company's securities presently exists and it is unlikely that one will develop in the future, and that the Subscriber may find it impossible to liquidate the investment at a time when it may be desirable to do so, or at any other time.

(g) The Subscriber is aware the Units have not been registered under the Act, that the Units will be issued on the basis of the statutory exemption provided by Section 4(2) of the Act or Regulation D promulgated thereunder, or both, relating to transactions by an issuer not involving any public offering and under similar exemptions under certain state securities laws, that this transaction has not been reviewed by, passed on or submitted to any Federal or state agency or self-regulatory organization where an exemption is being relied upon, and that the Company's reliance thereon is based in part upon the representations made by the Subscriber in this Agreement. The Subscriber acknowledges that the Subscriber has been informed by the Company, or is otherwise familiar with, the nature of the limitations imposed by the Act (and applicable state securities laws) and the rules and regulations thereunder on the transfer of securities. In particular, the Subscriber agrees that no sale, assignment or transfer of any of the Units shall be valid or effective, and the Company shall not be required to give any effect to such sale, assignment or transfer, unless (i) such sale, assignment or transfer is registered under the Act (and applicable state securities laws), it being understood that the Units are not currently registered for sale and that the Company has no obligation or intention to so register the Units, except as contemplated hereunder or (ii) any of the Units are sold, assigned or transferred in accordance with all the requirements and limitations of Rule 144 under the Act, it being understood that Rule 144 is not available at the present time for the sale of the Units, or (iii) such sale, assignment or transfer is otherwise exempt from the registration under the Act (and applicable state securities laws). The Subscriber further understands that an opinion of counsel and other documents may be required to transfer the Units. The Subscriber acknowledges that the certificates evidencing the Units shall bear the following, or a substantially similar legend, and such other legends as may be required by state blue sky laws:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE. SUCH SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE ISSUER OF SUCH SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE OPERATING AGREEMENT OF THE ISSUER, AND NONE OF SUCH SECURITIES, OR ANY INTEREST THEREIN, SHALL BE TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF EXCEPT AS PROVIDED IN SUCH AGREEMENT, A COPY OF WHICH IS ON FILE IN THE OFFICE OF THE ISSUER AND WILL BE MADE AVAILABLE FOR INSPECTION TO ANY PROPERLY INTERESTED PERSON WITHOUT CHARGE WITHIN FIVE (5) WORKING DAYS AFTER THE ISSUER'S RECEIPT OF A WRITTEN REQUEST."

(h) The Subscriber is acquiring the Units for the Subscriber's own account for investment and not with a view to the sale or distribution thereof or the granting of any

participation therein, and has no present intention of distributing or selling to others any of such interest or granting participations therein.

(i) The Subscriber is not subscribing for the Units because of or following any advertisement, article, notice or other communication published in any newspaper, magazine or internet site or similar media or broadcast over television or radio, or presented at any seminar or meeting, or any solicitation or a subscription by a person other than a representative of the Company.

(j) The Subscriber is not relying on the Company with respect to the tax and other economic considerations of an investment in the Units.

(k) The Subscriber acknowledges that the representations, warranties and agreements made by the Subscriber herein shall survive the execution and delivery of this Agreement.

(l) Except as disclosed to the Company in writing prior to Closing, the undersigned represents and warrants that no agent, broker, investment banker, person or firm acting on behalf of or under the authority of the undersigned is or will be entitled to any broker's or finder's fee or any other commission directly or indirectly in connection with the Subscriber's transactions contemplated herein. The undersigned further agrees to indemnify the Company for any claims, losses or expenses incurred by the Company as a result of the representation in this Section 3(m) being untrue.

4. Representations and Warranties of the Company. The Company represents and warrants to the Subscriber as follows:

(a) Due Formation. The Company: (i) is a limited liability company duly organized and validly existing under the laws of the jurisdiction of its formation; (ii) has all requisite limited liability company power, and has all material governmental licenses, authorizations, consents and approvals necessary to own its assets and carry on its business as now being or as proposed to be conducted; and (iii) is qualified to do business in all jurisdictions in which the nature of the business conducted by it makes such qualification necessary and where failure so to qualify would have a material adverse effect on the financial condition, operations or business of the Company taken as a whole.

(b) Legal Proceedings. Except as set forth in the PPM there are no legal or arbitral proceedings or any proceedings by or before any governmental or regulatory authority or agency, now pending or (to the knowledge of the Company) threatened against the Company which, if adversely determined, could have a material adverse effect on the consolidated financial condition, operations or business of the Company taken as a whole.

(c) No Conflicts. None of the execution and delivery of this Agreement, the consummation of the transactions herein contemplated or the compliance with the terms and provisions hereof will conflict with or result in a breach of, or require any consent under, the charter or bylaws of the Company, or any applicable law or regulation, or any order, writ, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which the Company is a party or by which it is bound or to which it is subject, or

constitute a default under any such agreement or instrument, or result in the creation or imposition of any lien upon any of the revenues or assets of the Company pursuant to the terms of any such agreement or instrument.

(d) Authority. The Company has all necessary limited liability company power and authority to execute, deliver and perform its obligations under this Agreement; the execution, delivery and performance by the Company of this Agreement has been duly authorized by all necessary limited liability company action on its part; and the Units have been, and will be, validly issued, fully paid and non-assessable when issued in accordance with this Agreement.

(e) Consents. No authorizations, approvals or consents of, and no filings or registrations with, any governmental or regulatory authority or agency are necessary for the execution, delivery or performance by the Company of this Agreement or for the issuance of the Units.

(f) Authorized Capital. Immediately prior to the Closing, 80,000 Units are issued and outstanding.

(g) No Brokers or Finders. Except as disclosed to the Subscriber in writing, no agent, broker, investment banker, person or firm acting on behalf of or under the authority of the Company is or will be entitled to any broker's or finder's fee or any other commission directly or indirectly in connection with the Subscriber's purchase hereunder. The Company further agrees to indemnify the Subscriber for any claims, losses or expenses incurred by the Company as a result of the representation in this Section 4(g) being untrue.

5. Transferability. Neither this Agreement, nor any interest of the Subscriber herein, shall be assignable or transferable by the Subscriber in whole or in part, except by operation of law.

6. Miscellaneous.

(a) Notice. Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be mailed by certified mail, return receipt requested, or by Federal Express, Express Mail or similar overnight delivery or courier service or delivered by facsimile transmission to whom it is to be given, if to the Company, at the address set forth on the first page hereof, if to the Subscriber, at the address set forth on the signature page hereof, or in either case, to such other address or facsimile number as the party shall have furnished in writing in accordance with the provisions of this Section 6(a). Notice to the estate of any party shall be sufficient if addressed to the party as provided in this Section 6(a). Any notice or other communication given by certified mail shall be deemed given at the time of certification thereof, except for a notice changing a party address which shall be deemed given at the time of receipt thereof. Any notice given by other means permitted by this Section 6(a) shall be deemed given at the time of receipt thereof.

(b) Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto, the successors and assigns of the Company, and the permitted successors, assigns, heirs and personal representatives of the Subscriber.

(c) Headings. The headings in this Agreement are solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

(d) Choice of Law. This Agreement has been negotiated and shall be consummated in the State of Arizona and shall be governed by and construed in accordance with the laws of the State of Arizona without regard to its principles of conflicts of law.

(e) Counterparts and Effect of Signature. This Agreement may be executed in any number of counterparts and by facsimile, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. **Subscriber's signature to this Agreement authorizes the Company to act as attorney-in-fact and sign the Company's Operating Agreement on behalf of Subscriber. Upon signing this Agreement and delivering the required funds to the Company, Subscriber will become a party to the Company's Operating Agreement as a Member.**

(f) Entire Agreement; Oral Modification. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof, and all agreements entered into prior hereto are revoked and superseded by this Agreement, and no representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein and therein. This Agreement may not be changed, modified or rescinded except in writing, signed by the Company and subscribers holding a majority in interest of the Units, and any attempt at oral modification of this Agreement shall be void and of no effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year this subscription has been accepted by the Company as set forth below.

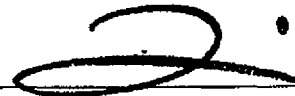
Number of Units being purchased:

2,500

American National Investments Inc.
Name of Subscriber

Purchase Price (@\$100.00 per Unit):
\$250,000.00

Signature: _____



Printed Name: Gina Champion-Cain

Title (if applicable): President/CEO

**IMPORTANT: SUBSCRIBER MUST INITIAL
THE APPROPRIATE REPRESENTATION
ABOVE BEFORE THE COMPANY WILL
CONSIDER THIS SUBSCRIPTION**

Social Security Number/Taxpayer Identification
Number:

Address: 3515 Hancock St, Ste. 200
San Diego, CA 92110

If the Unit will be held as joint tenants, tenants in common, or community property, please complete the following:

Print Name of spouse or other co-subscriber

Signature of spouse or other co-subscriber

Print manner in which Units will be held

Social Security Number of co-subscriber

Accepted by:

2Birdz Holding, LLC

By:

Name: Wade Wakefield

Title: Manager

Date: August 6, 2018

EXHIBIT 3

⊖ 06/19/18 WT SEQ146592 AMERICAN NATL INVESTMEN /ORG=AMERICAN NATL INVESTMENTS \$500,000.00
INC SRF# GW00000016858497 TRN#180619146592 RFB# 1165

EXHIBIT 4

⊖ 08/06/18	WT FED#04658 JPMORGAN CHASE BAN /ORG=AMERICAN NATIONAL INVESTMENTS INC SRF# 5770300218ES TRN#180806141727 RFB# BMG OF 18/08/06	\$250,000.00
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EXHIBIT 5

2BUDZ HOLDING, LLC
23050 N 63RD AVE
GLENDALE, AZ 85310
623-670-3846

September 13, 2019

American National Investments
3515 Hancock St. Suite 200
San Diego, CA 92110

RE:
2Budz Holding, LLC

Schedule K-1 from Partnership's 2018 Return of Income

Dear American National Investments:

Enclosed is your 2018 Schedule K-1 (Form 1065) Partner's Share of Income, Deductions, Credits, Etc. from 2Budz Holding, LLC. This information reflects the amounts you need to complete your income tax return. The amounts shown are your distributive share of partnership tax items to be reported on your tax return, and may not correspond to actual distributions you have received during the year. This information is included in the Partnership's 2018 Federal Return of Partnership Income that was filed with the Internal Revenue Service.

If you have any questions concerning this information, please contact us immediately.

Sincerely,

2Budz Holding, LLC

Enclosure(s)

EXHIBIT 6

2BUDZ HOLDING, LLC
23050 N 63RD AVE
GLENDALE, AZ 85310
623-670-3846

August 27, 2020

American National Investments
3515 Hancock St. Suite 200
San Diego, CA 92110

RE:
2Budz Holding, LLC

Schedule K-1 from Partnership's 2019 Return of Income

Dear American National Investments:

Enclosed is your 2019 Schedule K-1 (Form 1065) Partner's Share of Income, Deductions, Credits, Etc. from 2Budz Holding, LLC. This information reflects the amounts you need to complete your income tax return. The amounts shown are your distributive share of partnership tax items to be reported on your tax return, and may not correspond to actual distributions you have received during the year. This information is included in the Partnership's 2019 Federal Return of Partnership Income that was filed with the Internal Revenue Service.

If you have any questions concerning this information, please contact us immediately.

Sincerely,

2Budz Holding, LLC

Enclosure(s)

EXHIBIT 7

2BUDZ HOLDING, LLC
23050 N 63RD AVE
GLENDALE, AZ 85310
623-670-3846

September 14, 2021

American National Investments
3515 Hancock St. Suite 200
San Diego, CA 92110

RE:
2Budz Holding, LLC

Schedule K-1 from Partnership's 2020 Return of Income

Dear American National Investments:

Enclosed is your 2020 Schedule K-1 (Form 1065) Partner's Share of Income, Deductions, Credits, Etc. from 2Budz Holding, LLC. This information reflects the amounts you need to complete your income tax return. The amounts shown are your distributive share of partnership tax items to be reported on your tax return, and may not correspond to actual distributions you have received during the year. This information is included in the Partnership's 2020 Federal Return of Partnership Income that was filed with the Internal Revenue Service.

If you have any questions concerning this information, please contact us immediately.

Sincerely,

2Budz Holding, LLC

Enclosure(s)

EXHIBIT 8


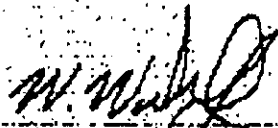

Budz Holding, LLC 23050 N 63rd Ave Glendale, AZ 86310		WELLS FARGO BANK, ARIZONA, NA 20050 N 63rd Ave Glendale, AZ 86308 (61.527.1331)		10005
				4/15/2019
PAY TO THE ORDER OF <u>American National Investments</u>				\$ 12,454.00
<u>Twelve Thousand Four Hundred Fifty-Four and 00/100</u>				DOLLARS
MEMO American National Investments Gina Champion-Cain 3815 Hancock St. Suite 200 San Diego, CA 92110		 		

EXHIBIT 9



05746115

ARIZONA CORP. COMMISSION
FILEDARTICLES OF
ORGANIZATION

NOV 30 2016

OF

FILE NO. L21410474

2BUDZ HOLDING, LLC

1. Name: The name of this limited liability company is:

2BUDZ HOLDING, LLC
2. Registered Office: The address of the registered office in Arizona of the company is:

23050 N. 63rd Ave.
Glendale AZ 85310
3. Statutory Agent: The name and address of the statutory agent is:

Engelman Berger, P.C.
c/o William H. Anger
3636 N. Central Ave., Suite 700
Phoenix, AZ 85012
4. Dissolution: The latest date on which the limited liability company is to dissolve is: N/A
5. Management: Management of the Company is vested in its Managers. The name and address of the Managers of the Company are:

Wakefield Investments, LLC
23050 N. 63rd Ave.
Glendale AZ 85310

Greg Glassberg
3131 18th Avenue
Wall, NJ 07719
6. Members: The names and addresses of the Members who own a twenty percent (20%) or greater interest in capital or profits of this limited liability company at the time of formation are:

Wakefield Investments, LLC
23050 N. 63rd Ave.
Glendale AZ 85310Greg Glassberg
3131 18th Avenue
Wall, NJ 07719

Dated this 28th day of November, 2016.

2BUDZ HOLDING, LLC

By


Greg Glasberg, Manager

By:

Wakefield Investments, LLC

Its:

Manager

By:


Wakefield Investments, LLC

Its: Manager

ACCEPTANCE OF APPOINTMENT BY STATUTORY AGENT

ENGELMAN BERGER, P.C., having been designated to act as Statutory Agent of 2BUDZ HOLDING, LLC, hereby consents to act in that capacity until removed or resignation is submitted in accordance with the Arizona Revised Statutes.

Dated this 28th day of November, 2016.

ENGELMAN BERGER, P.C.

By


William H. Anger

EXHIBIT F

EXHIBIT F

1 Columbia Place
401 West A Street
17th Floor
San Diego, CA 92101

P (619) 238-1010
F (619) 238-1981

mulvaneybarry.com

jstephens@mulvaneybarry.com

**Mulvaney
Barry**
Mulvaney Barry Beatty
Linn & Mayers LLP
Attorneys At Law

Everett G. Barry, Jr.
Robert A. Linn
Rex B. Beatty
John A. Mayers
John H. Stephens
Christopher B. Ghio
Patrick L. Prindle
M. Todd Ratay
George A. Rios, III
Jamie D. Mottola

Matthew R. Souther
Of Counsel

James F. Mulvaney
(1922 – 2010)

Paula Rotenberg
(Retired)

George A. Foster
(Retired)

To: E3 Advisors
Attn: ANI Claims Process Administrator
501 West Broadway, Ste. 290
San Diego, CA 92101

From: John H. Stephens

Date: December 17, 2021

Re: CalPrivate Bank's Proof of Claim
Our File: SDPB-147

Please find enclosed herewith the original and a copy of CalPrivate Bank's Proof of Claim Form. Please stamp the copy received and return it to our office in the enclosed self-addressed envelope. Should you have any questions, please do not hesitate to contact our office.

Thank you.

- ☐ For your information.
- ☐ Pursuant to your request.
- ☒ To be executed and returned to this office.
- ☐ For your review and comments.
- ☐ Please file and return a conformed copy in the enclosed envelope.
- ☐ Please record and return a conformed copy in the enclosed envelope.
- ☐ Other:

LA

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
CASE NO. 3:19-cv-01628-LAB-AHG

INVESTOR PROOF OF CLAIM FORM

SECURITIES AND EXCHANGE COMMISSION

vs.

GINA CHAMPION-CAIN; ANI DEVELOPMENT, LLC;
DEFENDANTS

and

AMERICAN NATIONAL INVESTMENTS, INC.;
RELIEF DEFENDANT

THIS SPACE RESERVED FOR ADMINISTRATIVE
USE ONLY

PLEASE READ THE ACCOMPANYING LETTER INSTRUCTIONS BEFORE COMPLETING
THIS FORM, IT MUST BE RETURNED ON OR BEFORE **DECEMBER 31, 2021**

As reflected in Section 3 below, the Receiver has calculated the Net Loss Amount, the net amount of actual payments you made to and received from the Receivership Entities or others in connection with the scheme.

If the investor name and amounts listed in Section 3 below are consistent with your records, you do not need to provide any documents or further information; you need to simply complete and sign this Proof of Claim Form, complete and sign the enclosed W9 Form, and return both forms to: **E3 Advisors, Attn: ANI Claims Process Administrator, 501 West Broadway, Suite 290, San Diego, CA 92101.**

If your records are not consistent with the investor name or amounts listed in Section 3 below, you will need to provide further documentation, as described on the last page of this document. Please keep in mind that pursuant to the Court's order, an allowed claim shall not include claims for interest, late fees, contract or other damages, contingent or liquidated damages, or legal fees incurred.

The Receiver will review each Proof of Claim Form, attempt to resolve any questions or disputes directly with the claimant, and will ultimately make a recommendation to the Court to allow or disallow part or all of the claim. Claimants will receive notice and an opportunity to respond if the Receiver disagrees with the amount stated on their claim. For claims that are allowed, distributions will be made pursuant to a Court-approved distribution plan. The amount distributed will depend on the total amount of allowed claims, the total assets available for distribution, and the terms of the distribution plan.

Submission of a claim does not guarantee the claims will be allowed or any payment will be made. The claim must be allowed by the United States District Court for the Southern District of California ("Court").

ADDRESS OF CLAIMANT:

☒ Check this box **ONLY** if your current address or contact information has changed and, if so, please print your updated address and/or contact information here:

Updated Address: 9404 Genesee Ave., Ste. 100

La Jolla, CA 92037

Telephone No. of Claimant: 424-303-4894

Email Address of Claimant: rsowers@calprivate.bank

() Check this box **ONLY** if you have an alternative contact for your investments. If so, please include all contact details here (you must also attach a Power of Attorney, Death Certificate, Trust Beneficiary, or other legal documentation, as applicable, which legally authorizes contact with such individual or entity):

Alternative Contact Name:

Alternative Contact Address:

Telephone No. of Alternative Contact:

Email Address of Alternative Contact:

Please complete the following:

1. Was your investment/loan made from an IRA account? **YES / NO**

If YES, please print the IRA Custodian name, address and phone number as well as your account number here:

Custodian Name and Address:

.....

Telephone No. of Custodian:

Email Address of Custodian:

Account Number:

2. Name as it should appear on distribution check (if YES on Item 1. above, be certain to clarify if such payment is to be made payable to and sent directly to the IRA Custodian or to you individually):

Payee: CalPrivate Bank

Payment Address (only IF different than address on file):

Payment Address: 9404 Genesee Ave., Ste. 100

La Jolla, CA 92037

If the information above is not consistent with your records (investor name or amounts), you will need to provide corrected information in the same format as Section 3 above (attach additional sheets if necessary) and supporting documentation, further discussed below.

3. **Supporting Documents:** ***DO NOT SEND*** copies of supporting documents if you agree with the information listed in Section 3 above. However, if you dispute the investor name or amounts listed in Section 3 above, ***DO SEND COPIES ONLY*** of all documents which support your corrected investment information along with your completed and signed Proof of Claim and W9 Forms to: E3 Advisors, Attn: ANI Claims Process Administrator, 501 West Broadway, Suite 290, San Diego, CA 92101. Examples of supporting documentation include bank statements, canceled checks, wire transfer documents, contracts, email messages, or other written correspondence. If the Receiver has questions or needs further information, her office will contact you.

4. **Date Stamped Copy:** To receive an acknowledgement of the filing of your Proof of Claim Form, please enclose a stamped, self-addressed envelope and an additional copy of this Proof of Claim Form.

5. **Signature:** Sign and print the name and title, if any, of the claimant or other person authorized to file this claim (attach copy of power of attorney, death certificate, trust beneficiary, or other documents as needed). **YOU MUST PROVIDE AN ORIGINAL SIGNATURE.**

PLEASE NOTE that we cannot provide you with tax or legal advice relating to your claim. If you have concerns about the tax or legal implications of your claim, please contact an attorney or your tax advisor.

By Signing My/Our Name Below, I/We Acknowledge and Affirm that: I/we will supplement this Proof of Claim Form if any information given later becomes inaccurate or incomplete; I/we am/are a creditor of the Receivership Entities; I/we hereby affirm that the answers provided herein are truthful; and that I/we understand that this Proof of Form is submitted under penalty of perjury.

Date: 12-16 2021

Signature:  Name: Karen L. Lister

Title (if any) Executive Vice President & CAO

Signature: _____ Name: _____

Title (if any) _____

Signature: _____ Name: _____

Title (if any) _____

NET LOSS CALCULATION(S):

According to the records of the Receivership Entities, it appears, you have made the following investments in and received the following payments from the Receivership Entities or others in connection with the scheme (to include payments to you made from Chicago Title):

DETAILED CHART ON FOLLOWING PAGE(s)

The money in-money out activity is accurate but the loss amount is incorrect. CalPrivate Bank has a first-priority perfected security interest in the assets of Defendant ANI Development, LLC, a Receivership Entity. Please see the attached Statement of Information and supporting documents.

Unique Identifier	E3 Description	Date	Amount
63	Cal Private Bank	9/10/2015	575,000.00
63	Cal Private Bank	9/10/2015	3,175,000.00
63	Cal Private Bank	10/9/2015	1,249,970.00
63	Cal Private Bank	10/13/2015	(19,263.84)
63	Cal Private Bank	11/10/2015	(26,755.14)
63	Cal Private Bank	12/10/2015	(25,684.93)
63	Cal Private Bank	1/11/2016	(27,363.01)
63	Cal Private Bank	2/10/2016	(27,505.43)
63	Cal Private Bank	3/10/2016	(25,751.36)
63	Cal Private Bank	4/11/2016	(27,527.32)
63	Cal Private Bank	4/29/2016	(350,000.00)
63	Cal Private Bank	5/2/2016	(175,000.00)
63	Cal Private Bank	5/4/2016	175,000.00
63	Cal Private Bank	5/4/2016	350,000.00
63	Cal Private Bank	5/9/2016	(75,000.00)
63	Cal Private Bank	5/10/2016	(26,639.34)
63	Cal Private Bank	5/11/2016	75,000.00
63	Cal Private Bank	5/17/2016	(250,000.00)
63	Cal Private Bank	5/18/2016	250,000.00
63	Cal Private Bank	5/24/2016	(250,000.00)
63	Cal Private Bank	5/26/2016	250,000.00
63	Cal Private Bank	5/31/2016	(325,000.00)
63	Cal Private Bank	6/2/2016	325,000.00
63	Cal Private Bank	6/7/2016	(425,000.00)
63	Cal Private Bank	6/8/2016	425,000.00
63	Cal Private Bank	6/9/2016	(150,000.00)
63	Cal Private Bank	6/10/2016	(300,000.00)
63	Cal Private Bank	6/10/2016	(26,994.54)
63	Cal Private Bank	6/10/2016	150,000.00
63	Cal Private Bank	6/13/2016	300,000.00
63	Cal Private Bank	6/15/2016	(175,000.00)
63	Cal Private Bank	6/16/2016	(175,000.00)
63	Cal Private Bank	6/20/2016	350,000.00
63	Cal Private Bank	6/21/2016	(175,000.00)
63	Cal Private Bank	6/22/2016	(400,000.00)
63	Cal Private Bank	6/22/2016	175,000.00
63	Cal Private Bank	6/22/2016	2,500,000.00
63	Cal Private Bank	6/23/2016	400,000.00
63	Cal Private Bank	6/27/2016	(375,000.00)
63	Cal Private Bank	6/28/2016	375,000.00
63	Cal Private Bank	6/29/2016	(425,000.00)
63	Cal Private Bank	7/1/2016	425,000.00
63	Cal Private Bank	7/6/2016	(450,000.00)
63	Cal Private Bank	7/7/2016	(250,000.00)
63	Cal Private Bank	7/7/2016	450,000.00

Unique Identifier	E3 Description	Date	Amount
63	Cal Private Bank	7/8/2016	250,000.00
63	Cal Private Bank	7/11/2016	(33,871.93)
63	Cal Private Bank	7/12/2016	(275,000.00)
63	Cal Private Bank	7/13/2016	275,000.00
63	Cal Private Bank	8/10/2016	(40,900.27)
63	Cal Private Bank	9/12/2016	(41,290.98)
63	Cal Private Bank	9/13/2016	(75,000.00)
63	Cal Private Bank	9/14/2016	75,000.00
63	Cal Private Bank	10/11/2016	(39,945.70)
63	Cal Private Bank	10/18/2016	(100,000.00)
63	Cal Private Bank	10/18/2016	100,000.00
63	Cal Private Bank	11/10/2016	(41,290.98)
63	Cal Private Bank	12/12/2016	(39,959.02)
63	Cal Private Bank	1/10/2017	(42,622.95)
63	Cal Private Bank	1/17/2017	(125,000.00)
63	Cal Private Bank	1/20/2017	125,000.00
63	Cal Private Bank	2/8/2017	(75,000.00)
63	Cal Private Bank	2/10/2017	(42,961.33)
63	Cal Private Bank	3/1/2017	75,000.00
63	Cal Private Bank	4/5/2017	(89,894.34)
63	Cal Private Bank	4/7/2017	4,920,000.00
63	Cal Private Bank	4/10/2017	(44,075.35)
63	Cal Private Bank	4/25/2017	(150,000.00)
63	Cal Private Bank	5/1/2017	(125,000.00)
63	Cal Private Bank	5/1/2017	150,000.00
63	Cal Private Bank	5/9/2017	(125,000.00)
63	Cal Private Bank	5/10/2017	125,000.00
63	Cal Private Bank	5/10/2017	(74,288.22)
63	Cal Private Bank	5/10/2017	125,000.00
63	Cal Private Bank	5/22/2017	(175,000.00)
63	Cal Private Bank	5/24/2017	175,000.00
63	Cal Private Bank	6/1/2017	(250,000.00)
63	Cal Private Bank	6/5/2017	250,000.00
63	Cal Private Bank	6/12/2017	(73,575.75)
63	Cal Private Bank	6/26/2017	(250,000.00)
63	Cal Private Bank	6/29/2017	250,000.00
63	Cal Private Bank	7/6/2017	(350,000.00)
63	Cal Private Bank	7/10/2017	(73,392.47)
63	Cal Private Bank	7/12/2017	350,000.00
63	Cal Private Bank	8/2/2017	(550,000.00)
63	Cal Private Bank	8/4/2017	550,000.00
63	Cal Private Bank	8/10/2017	(75,910.48)
63	Cal Private Bank	8/15/2017	(200,000.00)
63	Cal Private Bank	8/18/2017	200,000.00
63	Cal Private Bank	8/30/2017	(125,000.00)

Unique Identifier	E3 Description	Date	Amount
63	Cal Private Bank	9/7/2017	(350,000.00)
63	Cal Private Bank	9/11/2017	(76,138.90)
63	Cal Private Bank	9/11/2017	535,000.00
63	Cal Private Bank	9/25/2017	(125,000.00)
63	Cal Private Bank	9/29/2017	125,000.00
63	Cal Private Bank	10/10/2017	(250,000.00)
63	Cal Private Bank	10/10/2017	(73,406.74)
63	Cal Private Bank	10/23/2017	250,000.00
63	Cal Private Bank	10/25/2017	(425,000.00)
63	Cal Private Bank	11/3/2017	445,000.00
63	Cal Private Bank	11/10/2017	(75,122.92)
63	Cal Private Bank	11/13/2017	(325,000.00)
63	Cal Private Bank	11/15/2017	(400,000.00)
63	Cal Private Bank	11/17/2017	325,000.00
63	Cal Private Bank	11/20/2017	175,000.00
63	Cal Private Bank	11/20/2017	225,000.00
63	Cal Private Bank	11/21/2017	(150,000.00)
63	Cal Private Bank	11/28/2017	(175,000.00)
63	Cal Private Bank	11/28/2017	(175,000.00)
63	Cal Private Bank	11/28/2017	150,000.00
63	Cal Private Bank	11/30/2017	175,000.00
63	Cal Private Bank	12/5/2017	(725,000.00)
63	Cal Private Bank	12/11/2017	(73,883.46)
63	Cal Private Bank	12/12/2017	900,000.00
63	Cal Private Bank	12/20/2017	(350,000.00)
63	Cal Private Bank	12/29/2017	350,000.00
63	Cal Private Bank	1/10/2018	(76,478.25)
63	Cal Private Bank	1/25/2018	(850,000.00)
63	Cal Private Bank	1/29/2018	850,000.00
63	Cal Private Bank	1/31/2018	375,000.00
63	Cal Private Bank	2/12/2018	(77,691.78)
63	Cal Private Bank	3/7/2018	(2,575,000.00)
63	Cal Private Bank	3/7/2018	(72,426.37)
63	Cal Private Bank	3/15/2018	2,575,000.00
63	Cal Private Bank	4/9/2018	(375,000.00)
63	Cal Private Bank	4/9/2018	(78,518.84)
63	Cal Private Bank	4/12/2018	375,000.00
63	Cal Private Bank	5/2/2018	(845,000.00)
63	Cal Private Bank	5/7/2018	825,000.00
63	Cal Private Bank	5/10/2018	(79,384.41)
63	Cal Private Bank	6/8/2018	(81,235.93)
63	Cal Private Bank	6/22/2018	(749,990.00)
63	Cal Private Bank	6/22/2018	149,990.00
63	Cal Private Bank	6/28/2018	600,000.00
63	Cal Private Bank	7/11/2018	(80,929.31)

Unique Identifier	E3 Description	Date	Amount
63	Cal Private Bank	7/25/2018	(725,000.00)
63	Cal Private Bank	7/31/2018	725,000.00
63	Cal Private Bank	8/10/2018	(82,253.16)
63	Cal Private Bank	9/10/2018	(86,384.65)
63	Cal Private Bank	9/14/2018	(1,200,000.00)
63	Cal Private Bank	9/18/2018	1,200,000.00
63	Cal Private Bank	10/9/2018	(1,050,000.00)
63	Cal Private Bank	10/10/2018	(81,008.22)
63	Cal Private Bank	10/11/2018	1,050,000.00
63	Cal Private Bank	11/13/2018	(88,082.05)
63	Cal Private Bank	12/3/2018	(50,000.00)
63	Cal Private Bank	12/4/2018	50,000.00
63	Cal Private Bank	12/10/2018	(1,687,490.00)
63	Cal Private Bank	12/10/2018	(84,624.66)
63	Cal Private Bank	12/10/2018	337,490.00
63	Cal Private Bank	12/13/2018	1,350,000.00
63	Cal Private Bank	1/10/2019	(88,194.46)
63	Cal Private Bank	1/29/2019	(474,990.00)
63	Cal Private Bank	1/29/2019	94,990.00
63	Cal Private Bank	2/8/2019	(318,490.00)
63	Cal Private Bank	2/8/2019	43,490.00
63	Cal Private Bank	2/11/2019	(90,095.34)
63	Cal Private Bank	2/11/2019	275,000.00
63	Cal Private Bank	2/28/2019	(3,187,490.00)
63	Cal Private Bank	2/28/2019	962,490.00
63	Cal Private Bank	3/1/2019	(325,000.00)
63	Cal Private Bank	3/4/2019	2,225,000.00
63	Cal Private Bank	3/11/2019	(80,963.09)
63	Cal Private Bank	3/19/2019	(57,490.00)
63	Cal Private Bank	3/19/2019	7,490.00
63	Cal Private Bank	3/22/2019	375,000.00
63	Cal Private Bank	4/2/2019	(749,990.00)
63	Cal Private Bank	4/2/2019	149,990.00
63	Cal Private Bank	4/3/2019	600,000.00
63	Cal Private Bank	4/10/2019	(86,286.64)
63	Cal Private Bank	4/26/2019	(937,490.00)
63	Cal Private Bank	4/26/2019	187,490.00
63	Cal Private Bank	4/30/2019	750,000.00
63	Cal Private Bank	5/10/2019	(87,014.39)
63	Cal Private Bank	6/18/2019	(775,000.00)
63	Cal Private Bank	6/18/2019	(3,062,490.00)
63	Cal Private Bank	6/18/2019	(91,643.87)
63	Cal Private Bank	6/18/2019	1,387,490.00
63	Cal Private Bank	6/25/2019	2,450,000.00
63	Cal Private Bank	7/10/2019	(84,347.68)

Unique Identifier	E3 Description	Date	Amount
63	Cal Private Bank	8/12/2019	(91,310.07)
Total Money In Pre-Receivership			43,595,880.00
Total Money Out Pre-Receivership			(34,075,799.87)
Total Money Out - CTC Settlement			-
Net Loss/(Gain)			<u>9,520,080.13</u>
Prior Recovery Rate (Total Money Out/Total Money In)			78.16%

ATTACHMENT

CALPRIVATE BANK
PROOF OF CLAIM

Securities and Exchange Commission v. Gina Champion-Cain
Creditor Claim/Statement of Information

CALPRIVATE BANK

CalPrivate Bank provides the following information for its claim of a first-priority perfected security interest in the assets of Defendant ANI Development, LLC, now held by the Receiver, and the assets of non-party ANI License Fund, LLC.

Claim Amount:

\$12,475,000.00, plus interest, charges and attorneys' fees.

Documents Supporting Claim (attached):

1. Business Loan Agreement (9/9/15); Principal Amount (\$5,000,000).
2. Change in Terms Agreement (6/20/16); Principal Amount (\$7,500,000).
3. Change in Terms Agreement (4/4/17); Principal Amount (\$12,500,000).
4. Change in Terms Agreement (3/6/18); Principal Amount (\$12,500,000).
5. Change in Terms Agreement (6/27/18); Principal Amount (\$12,500,000).
6. Change in Terms Agreement (6/21/19); Principal Amount (\$12,500,000).
7. Commercial Security Agreement (9/9/15); Grantor, ANI License Fund, LLC.
8. Commercial Security Agreement (9/9/15); Grantor, ANI Development, LLC.
9. UCC Financing Statement (9/10/15); Debtor, ANI License Fund, LLC.
10. UCC Financing Statement (9/10/15); Debtor, ANI Development, LLC.

Basis for Claim:

CalPrivate Bank entered the Business Loan Agreement ("Loan") with ANI License Fund, LLC ("ANI License"), as Borrower under the loan documents. The Loan was increased from the original amount of \$5,000,000 to \$12,500,000 and the maturity date was extended through June 19, 2020, by the series of Change in Terms Agreements. The Loan was secured by two Commercial Security Agreements, one with ANI License as the Grantor and the other with ANI Development, LLC ("ANI Development") as the Grantor. The Security Agreements were perfected by the filing of two UCC Financing Statements, one with ANI License as the Debtor and the other with ANI Development as the Debtor.

Receiver has acknowledged the enforceability of security agreements perfected by financing statements against Receivership assets in at least two other instances. In the sale of personal property and a leasehold interest owned by receivership entity 2163 Abbott Street, LP, and associated with the Ocean Beach Surf Rider Restaurant, Receiver recognized the UCC security interest held by Jacmar Foodservice Distribution. (Dkt. Nos. 462, 489 & 666.) Again, in the sale of personal property and a leasehold interest owned by 2163 Abbott Street, LP, and associated with the former Mission Beach Surfrider Restaurant, Receiver recognized the UCC security interest held by First Choice Bank as security for its loan. (Dkt. Nos. 408, 478, 488, 531 & 665.)

Collateral for the Loan is broadly defined in the Commercial Security Agreements and the UCC Financing Statements to mean the following property, whether owned or existing at the time or thereafter acquired:

All present and future right, title and interest of Debtor/Grantor in and to, without limitation, all: personal fixture property of every kind and nature including without limitation all goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts (including health care insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter of credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to the payment of money, insurance claims and proceeds, tort claims, and all general intangibles including, without limitation, all payment intangibles, patents, patent applications, trademarks, trademark applications, trade names, copyrights, copyright applications, software, engineering drawings, service marks, customer lists, goodwill, and all licenses, permits agreements, of any kind or nature pursuant to which the Debtor possesses, uses or has authority to possess or use property (whether tangible or intangible) of others or others possess, use or have authority to possess or use property (whether tangible or intangible) of the Debtor, and all recorded data of any kind or nature, regardless of the medium of recording including, without limitation, all software, writings, plans specifications and schematics. With respect to any term used herein that is defined in either (i) Article 9 of the Uniform Commercial Code as in force in the jurisdiction in which this security agreement was signed by the Debtor at the time that it was signed, or (ii) Article 9 as in force at any relevant time in the jurisdiction in which the financing statement is filed, the meaning to be ascribed thereto with respect to any particular item of property shall be that under the more encompassing of the two definitions.

Chicago Title Escrow Bank Account:

Among the Receivership assets subject to the CalPrivate's first priority security interest in ANI Development's assets is a Chicago Title escrow bank account of \$11 million. Shortly after the Receivership was established, a dispute arose between the Receiver and Chicago Title about custody of the account. District Judge Larry Burns referred the matter to Magistrate Judge Allison Goddard who issued a report and recommendation that Chicago Title was obligated to turn over the funds to the Receiver. (Dkt. No. 54.) Judge Burns adopted the recommendation. (Dkt. No. 127.)

As part of the proceedings, CalPrivate filed a response that it did not object to the turnover on the condition that the funds remain subject to its security interest. (Dkt. No. 31.) The Receiver disputed that CalPrivate has a perfected security interest in what her counsel labeled a "deposit account" because it did not retain control, an issue which counsel conceded has not been adjudicated. (Dkt. No. 45.) Thereafter, when the Receiver filed several motions for authority to sell receivership property, CalPrivate again responded that it did not oppose the sales subject to its reservation of rights

concerning its priority security interest in the sales proceeds. (See, e.g., Dkt. No. 204.) Judge Goddard, in her order concerning the sales, clarified that CalPrivate's claim of a security interest was not waived by the Court's approval of any sale of receivership assets. (Dkt. No. 226.)

CalPrivate's claim of a first-priority perfected security interest is now ripe for adjudication. The security interest applies to all ANI Development's assets, which are collateral for the Loan, including funds from Chicago Title's \$11 million escrow bank account. The Receiver took ANI Development's assets subject to existing liens and security interests. CalPrivate's security interest attached to the escrow bank account because it was not a deposit account. It was an escrow bank account, not a "demand, time, savings, passbook or similar account maintained by a bank." (UCC 9102(29).)

Even assuming it was a "deposit account," CalPrivate would have been Chicago Title's customer with respect to the account because the money wires to and from the account identified the liquor license escrows that CalPrivate was funding. (UCC 9104(a)(3).) "A secured party [CalPrivate] that has satisfied subdivision (a) has control, even if the debtor [ANI Development] retains the right to direct disposition of the funds from the deposit account. (UCC 9104(b).)

CalPrivate's First Priority Security Interest in Other Assets:

CalPrivate has a security interest in all ANI Development's property as defined in the Commercial Security Agreements. It appears most of the funds that ANI Development received from CalPrivate were invested in single asset entities that purchased property with acquisition loans. Significant funds have been generated from the sale of those properties after pay-off of the loans. ANI Development also had separate bank accounts and owned personal property that would be subject to CalPrivate's security interest.

ATTACHMENT 1

BUSINESS LOAN AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$5,000,000.00	09-09-2015	03-10-2017	52246				

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: ANI License Fund, LLC, a California limited liability company 3515 Hancock Street, Suite 200 San Diego, CA 92110	Lender: SAN DIEGO PRIVATE BANK San Diego Office 560 West C Street, Suite 110 San Diego, CA 92101
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THIS BUSINESS LOAN AGREEMENT dated September 9, 2015, is made and executed between ANI License Fund, LLC, a California limited liability company ("Borrower") and SAN DIEGO PRIVATE BANK ("Lender") on the following terms and conditions. Borrower has applied to Lender for a commercial loan or loans ("Loan or Loans") or other financial accommodations. Borrower understands and agrees that: (A) In granting, renewing, or extending any Loan, Lender is relying upon Borrower's representations, warranties, and agreements as set forth in this Agreement; (B) the granting, renewing, or extending of any Loan by Lender at all times shall be subject to Lender's sole judgment and discretion; and (C) all such Loans shall be and remain subject to the terms and conditions of this Agreement.

TERM. This Agreement shall be effective as of September 9, 2015, and shall continue in full force and effect until such time as all of Borrower's Loans in favor of Lender have been paid in full, including principal, interest, costs, expenses, attorneys' fees, and other fees and charges, or until such time as the parties may agree in writing to terminate this Agreement.

BORROWER'S BUSINESS. Loan proceeds and Advances will be solely for funding the Escrow Accounts of persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by the ABC.

LOAN ADVANCES. Borrower may request an Advance by submitting to Lender a completed Loan Request in the form attached as Exhibit A at least three (3) days prior to the proposed funding. Each Advance shall be funded to Chicago Title Company pursuant to the form of Escrow Agreement attached hereto as Exhibit B. In the alternative, an Advance may be funded to a Borrower account with Lender to be funded to Chicago Title Company as provided in this Agreement. The date on which each Advance shall be repaid (the "Due Date") shall be three Business Days following the earliest of (1) the date License Applicant delivers to Escrow Holder the License Applicant's funds to replace the principal amount of the Advance, (2) the date the License Applicant's license transfer escrow is terminated because the ABC disapproved the License Applicant's transfer application, or (3) the date that is 240 days after the Loan Date for such Advance. Borrower shall pay to Lender for each Advance Lender's standard wire transfer fees.

CONDITIONS PRECEDENT TO EACH ADVANCE. Lender's obligation to make the initial Advance and each subsequent Advance under this Agreement shall be subject to the fulfillment to Lender's satisfaction of all of the conditions set forth in this Agreement and in the Related Documents.

Loan Documents. Borrower shall provide to Lender the following documents for the Loan: (1) the Note; (2) Security Agreements granting to Lender security interests in the Collateral; (3) financing statements and all other documents perfecting Lender's Security Interests; (4) evidence of insurance as required below; (5) guaranties; (6) together with all such Related Documents as Lender may require for the Loan; all in form and substance satisfactory to Lender and Lender's counsel.

Borrower's Authorization. Borrower shall have provided in form and substance satisfactory to Lender properly certified resolutions, duly authorizing the execution and delivery of this Agreement, the Note and the Related Documents. In addition, Borrower shall have provided such other resolutions, authorizations, documents and instruments as Lender or its counsel, may require.

Payment of Fees and Expenses. Borrower shall have paid to Lender all fees, charges, and other expenses which are then due and payable as specified in this Agreement or any Related Document.

Representations and Warranties. The representations and warranties set forth in this Agreement, in the Related Documents, and in any document or certificate delivered to Lender under this Agreement are true and correct.

No Event of Default. There shall not exist at the time of any Advance a condition which would constitute an Event of Default under this Agreement or under any Related Document.

REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants to Lender, as of the date of this Agreement, as of the date of each disbursement of loan proceeds, as of the date of any renewal, extension or modification of any Loan, and at all times any indebtedness exists:

Organization. Borrower is a limited liability company which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California. Borrower is duly authorized to transact business in the State of California and all other states in which Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which Borrower is doing business. Specifically, Borrower is, and at all times shall be, duly qualified as a foreign limited liability company in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. Borrower maintains its principal office at 4439 Lamont Street, San Diego, CA 92109. Unless Borrower has designated otherwise in writing, the principal office is the office at which Borrower keeps its books and records including its records concerning the Collateral. Borrower will notify Lender prior to any change in the location of Borrower's state of organization or any change in Borrower's name. Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to Borrower and Borrower's business activities.

Assumed Business Names. Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by Borrower. Excluding the name of Borrower, the following is a complete list of all assumed business names under which Borrower does business: None.

Authorization. Borrower's execution, delivery, and performance of this Agreement and all the Related Documents have been duly authorized by all necessary action by Borrower and do not conflict with, result in a violation of, or constitute a default under (1) any provision of (a) Borrower's articles of organization or membership agreements, or (b) any agreement or other instrument binding upon Borrower or (2) any law, governmental regulation, court decree, or order applicable to Borrower or to Borrower's properties.

Financial Information. Each of Borrower's financial statements supplied to Lender truly and completely disclosed Borrower's financial condition as of the date of the statement, and there has been no material adverse change in Borrower's financial condition subsequent to the date of the most recent financial statement supplied to Lender. Borrower has no material contingent obligations except as disclosed in such financial statements.

Legal Effect. This Agreement constitutes, and any instrument or agreement Borrower is required to give under this Agreement when delivered will constitute legal, valid, and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms.

Properties. Except as contemplated by this Agreement or as previously disclosed in Borrower's financial statements or in writing to Lender and as accepted by Lender, and except for property tax liens for taxes not presently due and payable, Borrower owns and has good title to all of Borrower's properties free and clear of all security interests, and has not executed any security documents or financing statements relating to such properties. All of Borrower's properties are titled in Borrower's legal name, and Borrower has not used or filed a financing statement under any other name for at least the last five (5) years.

Litigation and Claims. No litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Borrower is pending or threatened, and no other event has occurred which may materially adversely affect Borrower's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by Lender in writing.

Taxes. To the best of Borrower's knowledge, all of Borrower's tax returns and reports that are or were required to be filed, have been filed, and all taxes, assessments and other governmental charges have been paid in full, except those presently being or to be contested by Borrower in good faith in the ordinary course of business and for which adequate reserves have been provided.

Lien Priority. Unless otherwise previously disclosed to Lender in writing, Borrower has not entered into or granted any Security Agreements, or permitted the filing or attachment of any Security Interests on or affecting any of the Collateral directly or indirectly securing repayment of Borrower's Loan and Note, that would be prior or that may in any way be superior to Lender's Security Interests and rights in and to such Collateral.

Binding Effect. This Agreement, the Note, all Security Agreements (if any), and all Related Documents are binding upon the signers thereof, as well as upon their successors, representatives and assigns, and are legally enforceable in accordance with their respective terms.

FINANCIAL STATEMENT CERTIFICATION. The undersigned hereby certifies to San Diego Private Bank ("Lender") that all financial information ("information") submitted to Lender now and at all times during the term of this loan does, and will, fairly and accurately represent the financial condition of the undersigned, all Borrowers, and Guarantors. Financial information includes, but is not limited to, all Business Financial Statements (including Interim and Year-End financial statements that are company prepared and/or CPA prepared), Business Income Tax Returns, Borrowing Base Certificates, Accounts Receivable and Accounts Payable agings, Personal Financial Statements, third party verification statements, and Personal Income Tax Returns. The undersigned understands that Lender will rely on all information, whenever provided, and that such information is a material inducement to Lender to make, to continue to make, or otherwise extend credit accommodations to the undersigned. The undersigned covenants and agrees to notify Lender of any adverse material changes in her/his/its financial condition in the future. The undersigned further understands and acknowledges that there are criminal penalties for giving false financial information to federal insured financial institutions.

AFFIRMATIVE COVENANTS. Borrower covenants and agrees with Lender that, so long as this Agreement remains in effect, Borrower will:

Notices of Claims and Litigation. Promptly inform Lender in writing of (1) all material adverse changes in Borrower's financial condition, and (2) all existing and all threatened litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower or any Guarantor which could materially affect the financial condition of Borrower or the financial condition of any Guarantor.

Financial Records. Maintain its books and records in accordance with GAAP, applied on a consistent basis, and permit Lender to examine and audit Borrower's books and records at all reasonable times.

Financial Statements. Furnish Lender with such financial statements and other related information at such frequencies and in such detail as Lender may reasonably request.

Additional Information. Furnish such additional information and statements, as Lender may request from time to time.

Guaranties. Prior to disbursement of any Loan proceeds, furnish executed unlimited guaranties of the Loans in favor of Lender, executed by the guarantors named below, on Lender's forms, and in the amounts and under the conditions set forth in those guaranties.

Names of Guarantors

Kim H. Peterson

Peterson Family Trust dated April 14,
1992

Gina Champion-Cain

The Gina Champion-Cain Revocable
Trust Agreement dated June 26, 2012

Other Agreements. Comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party and notify Lender immediately in writing of any default in connection with any other such agreements.

Loan Proceeds. Loan proceeds and Advances will be solely for funding the Escrow Accounts of persons or entities (each a "License Applicant")

seeking authorization from the ABC to acquire by transfer a license issued by the ABC.

Taxes, Charges and Liens. Pay and discharge when due all of its indebtedness and obligations, including without limitation all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon Borrower or its properties, income, or profits, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of Borrower's properties, income, or profits. Provided however, Borrower will not be required to pay and discharge any such assessment, tax, charge, levy, lien or claim so long as (1) the legality of the same shall be contested in good faith by appropriate proceedings, and (2) Borrower shall have established on Borrower's books adequate reserves with respect to such contested assessment, tax, charge, levy, lien, or claim in accordance with GAAP.

Performance. Perform and comply, in a timely manner, with all terms, conditions, and provisions set forth in this Agreement, in the Related Documents, and in all other instruments and agreements between Borrower and Lender. Borrower shall notify Lender immediately in writing of any default in connection with any agreement.

Compliance with Governmental Requirements. Comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the conduct of Borrower's properties, businesses and operations, and to the use or occupancy of the Collateral, including without limitation, the Americans With Disabilities Act. Borrower may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Borrower has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Collateral are not jeopardized. Lender may require Borrower to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Inspection. Permit employees or agents of Lender at any reasonable time to inspect any and all Collateral for the Loan or Loans and Borrower's other properties and to examine or audit Borrower's books, accounts, and records and to make copies and memoranda of Borrower's books, accounts, and records. If Borrower now or at any time hereafter maintains any records (including without limitation computer generated records and computer software programs for the generation of such records) in the possession of a third party, Borrower, upon request of Lender, shall notify such party to permit Lender free access to such records at all reasonable times and to provide Lender with copies of any records it may request, all at Borrower's expense.

Additional Assurances. Make, execute and deliver to Lender such promissory notes, mortgages, deeds of trust, security agreements, assignments, financing statements, instruments, documents and other agreements as Lender or its attorneys may reasonably request to evidence and secure the Loans and to perfect all Security Interests.

BORROWER'S FINANCIAL REQUIREMENTS.

ANNUAL STATEMENTS. As requested by Lender, Borrower shall provide to Lender, as soon as available, annually, a company prepared consolidated balance sheet and Income statement for the preceding calendar year end, in form satisfactory to Lender. Statements may be due more often if requested by Lender.

TAX RETURNS. Borrower shall provide to Lender within 30 days of the required filed date, copies of Federal and other governmental tax returns for the preceding calendar year. If extensions are filed, copies of such extensions are to be provided immediately upon filing.

If requested by Lender, Borrower shall provide other items of financial nature as deemed necessary.

GUARANTOR'S FINANCIAL REQUIREMENTS.

PERSONAL FINANCIAL STATEMENTS. As requested by Lender, Borrower shall cause each Guarantor to provide to Lender a self prepared personal financial statement to include a schedule of real estate owned, in form satisfactory to Lender.

TAX RETURNS. Borrower shall cause Guarantor to provide to Lender within 30 days of the required filed date, copies of Federal and other governmental tax returns for the preceding calendar year. If extensions are filed, copies of such extensions are to be provided immediately upon filing.

If requested by Lender, Borrower shall cause Guarantor to provide other items of financial nature as deemed necessary.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Borrower fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Borrower's failure to discharge or pay when due any amounts Borrower is required to discharge or pay under this Agreement or any Related Documents, Lender on Borrower's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on any Collateral and paying all costs for insuring, maintaining and preserving any Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Borrower. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity.

NEGATIVE COVENANTS. Borrower covenants and agrees with Lender that while this Agreement is in effect, Borrower shall not, without the prior written consent of Lender:

Indebtedness and Liens. (1) Except for trade debt incurred in the normal course of business and indebtedness to Lender contemplated by this Agreement, create, incur or assume indebtedness for borrowed money, including capital leases, (2) sell, transfer, mortgage, assign, pledge, lease, grant a security interest in, or encumber any of Borrower's assets (except as allowed as Permitted Liens), or (3) sell with recourse any of Borrower's accounts, except to Lender.

Continuity of Operations. (1) Engage in any business activities substantially different than those in which Borrower is presently engaged, (2) cease operations, liquidate, merge, transfer, acquire or consolidate with any other entity, change its name, dissolve or transfer or sell Collateral out of the ordinary course of business, or (3) make any distribution with respect to any capital account, whether by reduction of capital or otherwise.

Loans, Acquisitions and Guaranties. (1) Loan, invest in or advance money or assets to any other person, enterprise or entity, (2) purchase, create or acquire any interest in any other enterprise or entity, or (3) incur any obligation as surety or guarantor other than in the ordinary course

of business.

Agreements. Enter into any agreement containing any provisions which would be violated or breached by the performance of Borrower's obligations under this Agreement or in connection herewith.

CESSATION OF ADVANCES. If Lender has made any commitment to make any Loan to Borrower, whether under this Agreement or under any other agreement, Lender shall have no obligation to make Loan Advances or to disburse Loan proceeds if: (A) Borrower or any Guarantor is in default under the terms of this Agreement or any of the Related Documents or any other agreement that Borrower or any Guarantor has with Lender; (B) Borrower or any Guarantor dies, becomes incompetent or becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged a bankrupt; (C) there occurs a material adverse change in Borrower's financial condition, in the financial condition of any Guarantor, or in the value of any Collateral securing any Loan; or (D) any Guarantor seeks, claims or otherwise attempts to limit, modify or revoke such Guarantor's guaranty of the Loan or any other loan with Lender.

DEFAULT. Each of the following shall constitute an event of default "Event of Default" under this Agreement:

Payment Default. Borrower fails to make any payment when due under the Loan.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or any Grantor's property or Borrower's or any Grantor's ability to repay the Loans or perform their respective obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Foreclosure Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the Loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Loan is impaired.

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If any default, other than a default on Indebtedness, is curable and if Borrower or Grantor, as the case may be, has not been given a notice of a similar default within the preceding twelve (12) months, it may be cured if Borrower or Grantor, as the case may be, after Lender sends written notice to Borrower or Grantor, as the case may be, demanding cure of such default: (1) cure the default within ten (10) days; or (2) if the cure requires more than ten (10) days, immediately initiate steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continue and complete all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

INTEREST AFTER DEFAULT- FINANCIAL INFORMATION. If Borrower, Guarantor or any other party fails to provide financial statements, tax returns, operating statements, or other information required from Borrower, Guarantor or any other party as required under the Promissory Note, the Business Loan Agreement or any other agreement/document executed in connection with the loan, Lender shall at Lender's sole discretion, if permitted under applicable law, immediately increase the interest rate by adding an additional five (5.000) percentage point margin ("Default Rate Margin"). The Default Rate Margin shall also apply to each succeeding interest rate change that would have applied had there been no default.

EFFECT OF AN EVENT OF DEFAULT. If any Event of Default shall occur, except where otherwise provided in this Agreement or the Related Documents, all commitments and obligations of Lender under this Agreement or the Related Documents or any other agreement immediately will terminate (including any obligation to make further Loan Advances or disbursements), and, at Lender's option, all Indebtedness immediately will become due and payable, all without notice of any kind to Borrower, except that in the case of an Event of Default of the type described in the "Insolvency" subsection above, such acceleration shall be automatic and not optional. In addition, Lender shall have all the rights and remedies provided in the Related Documents or available at law, in equity, or otherwise. Except as may be prohibited by applicable law, all of Lender's rights and remedies shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower or of any Grantor shall not affect Lender's right to declare a default and to exercise its rights and remedies.

AUDITS AND REVIEWS. Borrower authorizes Lender, or its agent, to conduct accounts receivable audits, financial audits, appraisals, inspections and audits at Borrower's place of business as Lender deems necessary. Borrower agrees to pay the cost of such audits and appraisals.

BANKING RELATIONSHIP. Borrower shall maintain its primary banking relationship with Lender. This means the majority of deposit accounts, balances and loans.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Borrower agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Consent to Loan Participation. Borrower agrees and consents to Lender's sale or transfer, whether now or later, of one or more participation interests in the Loan to one or more purchasers, whether related or unrelated to Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to the Loan, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interests in the Loan and will have all the rights granted under the participation agreement or agreements governing the sale of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participation interest and unconditionally agrees that either Lender or such purchaser may enforce Borrower's obligation under the Loan irrespective of the failure or insolvency of any holder of any interest in the Loan. Borrower further agrees that the purchaser of any such participation interests may enforce its interests irrespective of any personal claims or defenses that Borrower may have against Lender.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of California.

Choice of Venue. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of San Diego County, State of California.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Borrower, or between Lender and any Grantor, shall constitute a waiver of any of Lender's rights or of any of Borrower's or any Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address. Unless otherwise provided or required by law, if there is more than one Borrower, any notice given by Lender to any Borrower is deemed to be notice given to all Borrowers.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Subsidiaries and Affiliates of Borrower. To the extent the context of any provisions of this Agreement makes it appropriate, including without limitation any representation, warranty or covenant, the word "Borrower" as used in this Agreement shall include all of Borrower's subsidiaries and affiliates. Notwithstanding the foregoing however, under no circumstances shall this Agreement be construed to require Lender to make any Loan or other financial accommodation to any of Borrower's subsidiaries or affiliates.

Successors and Assigns. All covenants and agreements by or on behalf of Borrower contained in this Agreement or any Related Documents shall bind Borrower's successors and assigns and shall inure to the benefit of Lender and its successors and assigns. Borrower shall not, however, have the right to assign Borrower's rights under this Agreement or any interest therein, without the prior written consent of Lender.

Survival of Representations and Warranties. Borrower understands and agrees that in making the Loan, Lender is relying on all representations, warranties, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender under this Agreement or the Related Documents. Borrower further agrees that regardless of any investigation made by Lender, all such representations, warranties and covenants will survive the making of the Loan and delivery to Lender of the Related Documents, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's indebtedness shall be paid in full, or until this Agreement shall be terminated in the manner provided above, whichever is the last to occur.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this

Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. Accounting words and terms not otherwise defined in this Agreement shall have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date of this Agreement:

Advance. The word "Advance" means a disbursement of Loan funds made, or to be made, to Borrower or on Borrower's behalf on a the revolving line of credit described in the Note under the terms and conditions of this Agreement.

Agreement. The word "Agreement" means this Business Loan Agreement, as this Business Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Business Loan Agreement from time to time.

Borrower. The word "Borrower" means ANI License Fund, LLC, a California limited liability company, and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all property and assets granted as collateral security for a Loan, whether real or personal property, whether granted directly or indirectly, whether granted now or in the future, and whether granted in the form of a security interest, mortgage, collateral mortgage, deed of trust, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien, charge, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

GAAP. The word "GAAP" means generally accepted accounting principles.

Grantor. The word "Grantor" means each and all of the persons or entities granting a Security Interest in any Collateral for the Loan, including without limitation all Borrowers granting such a Security Interest.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Loan.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means SAN DIEGO PRIVATE BANK, its successors and assigns.

License Applicant. The term "License Applicant" means those persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by the ABC.

Loan. The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced, including without limitation those loans and financial accommodations described herein or described on any exhibit or schedule attached to this Agreement from time to time.

Note. The word "Note" means the Note dated September 8, 2015 and executed by ANI License Fund, LLC, a California limited liability company, in the original principal amount of \$5,000,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Permitted Liens. The words "Permitted Liens" mean (1) liens and security interests securing indebtedness owed by Borrower to Lender; (2) liens for taxes, assessments, or similar charges either not yet due or being contested in good faith; (3) liens of materialmen, mechanics, warehousemen, or carriers, or other like liens arising in the ordinary course of business and securing obligations which are not yet delinquent; (4) purchase money liens or purchase money security interests upon or in any property acquired or held by Borrower in the ordinary course of business to secure indebtedness outstanding on the date of this Agreement or permitted to be incurred under the paragraph of this Agreement titled "Indebtedness and Liens"; (5) liens and security interests which, as of the date of this Agreement, have been disclosed to and approved by the Lender in writing; and (6) those liens and security interests which in the aggregate constitute an immaterial and insignificant monetary amount with respect to the net value of Borrower's assets.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.


Security Agreement. The words "Security Agreement" mean and include without limitation any agreements, promises, covenants, arrangements, understandings or other agreements, whether created by law, contract, or otherwise, evidencing, governing, representing, or creating a Security Interest.


Security Interest. The words "Security Interest" mean, without limitation, any and all types of collateral security, present and future, whether in the form of a lien, charge, encumbrance, mortgage, deed of trust, security deed, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever whether created by law, contract, or otherwise.

BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS BUSINESS LOAN AGREEMENT AND BORROWER AGREES TO ITS TERMS. THIS BUSINESS LOAN AGREEMENT IS DATED SEPTEMBER 9, 2016.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 
Gina Champion-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By: 
Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

LENDER:

SAN DIEGO PRIVATE BANK

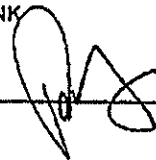
By: 
Authorized Signer

Exhibit A

LOAN REQUEST

To: San Diego Private Bank
9404 Genesee Avenue, Suite 100
La Jolla, California 92037

Attn: Betsy Chadwick

ANI License Fund, LLC ("Borrower"), hereby requests from San Diego Private Bank ("SDPB") an Advance in the amount of \$ _____ on _____, 20 ____ (the "Loan Date") pursuant to the Business Loan Agreement between Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please wire funds to:

Bank:	Union Bank, Monterey Park, CA
Escrow Agent:	Chicago Title Company
ABA Number:	122000496
Account Number:	
Reference:	Escrow/Title Order No. 32743-DD
Escrow Office Name:	Della Ducharme Unit

Borrower represents that the conditions precedent to the Advance set forth in the Agreement are satisfied and shall be satisfied upon the making of such Advance, including but not limited to (i) that no event that has had or could reasonably be expected to have a material adverse effect has occurred and is continuing; (ii) that the representations and warranties set forth in the Agreement are and shall be true and correct in all material respects on and as of the Loan Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date; (iii) that Borrower is in compliance with all the terms and provisions set forth in each Loan Document on its part to be observed or performed; and (iv) that as of the Loan Date, no fact or condition exists that would (or would, with the passage of time, the giving of notice, or both) constitute an Event of Default under the Loan Documents. Borrower understands and acknowledges that SDPB has the right to review the financial information supporting this representation and Lender may decline to fund the requested Advance if following such review SDPB reasonably concludes such representation is not accurate in any material respect.

Borrower hereby represents that Borrower's entity status and locations have not changed since the date of the Agreement.

Borrower agrees to notify SDPB promptly before the funding of the Advance if any of the matters which have been represented above were not true and correct on the Loan Date, and if Lender has received no such notice before the Loan Date, then the statements set forth above shall be deemed to have been made and shall be deemed to be true and correct as of the Loan Date.

Executed as of _____, 20

ANI License Fund, LLC,

By _____
Kim H. Peterson or Gina Champion Cain

SDPB.147.589355.1

Exhibit B

Escrow No. ____-00-DD

Chicago Title Company
701 B Street, Suite 760
San Diego, CA 92101

ESCROW AGREEMENT
(Holding Funds)

This Escrow Agreement ("Agreement") is made and entered into as of _____, 20__ by and between ANI Development, LLC, a California limited liability company ("Lender") and Chicago Title Company, a California corporation ("Escrow Holder").

RECITALS

Lender desires to deposit certain funds and direct others to deposit certain funds (the "Deposit") into this Escrow and to provide Escrow Holder with written instructions setting forth the conditions under which Escrow Holder will invest and hold the funds and ultimately disburse them.

Lender and Escrow Holder understand that this is a limited escrow only and is being opened for the benefit of _____ ("Applicant"), who is applying for approval of a transfer to Applicant of a license issued by the California Department of Alcoholic Beverage Control ("ABC") under Business and Professions Code Sections 24070-24082. The license that is the subject of Applicant's application to ABC is License No. _____ ("the License").

NOW, THEREFORE, the parties agree as follows:

AGREEMENTS

Deposit. Within five business days following the date this Agreement is signed by Lender and Escrow Holder, Lender will cause to be deposited a total sum of _____ ("the Deposit") with Escrow Holder for the refundable deposit for Applicant's application to ABC for approval of transfer to Applicant of the License. The source of funds for the Deposit shall be from an account at San Diego Private Bank in the name of ANI License Fund, LLC. Escrow Holder will do the following:

Invest Funds. Place the Deposit into an interest bearing account with all interest accruing to the account of Lender. Concurrently herewith Lender will provide Escrow Holder with the required IRS Form W-9 and Investment Instructions required to establish such account.

226 Form. Escrow Holder shall send to ABC a completed Form 226 upon Escrow Holder's receipt of the Deposit.

Ownership of Deposit. It is acknowledged and understood that only ANI License Fund LLC has an ownership interest in the Deposit and that Lender has no ownership interest in the Deposit and has no

right to direct the disposition of the Deposit except as set forth in and as provided in the Release of Deposit paragraph as follows.

Release of Deposit. At any time, Lender may provide written instructions to Escrow Holder to release all or a portion of the Deposit and the interest thereon. During the term of this Escrow, upon the written instructions from the Lender, Escrow Holder will disburse the Deposit and, as instructed by the Lender, only to the following account:

San Diego Private Bank
ABA#122244029
FCC: ANI License Fund, LLC
A/C#

Upon receipt of such instructions, Escrow Holder's only duty is to comply with said instructions and to disburse the Deposit as requested by Lender and in accordance with this Escrow Agreement.

Escrow Holder's Requirement to Terminate Escrow. Escrow Holder shall terminate this Escrow upon the instructions of Lender or 240 days after this Escrow has been opened, unless requested to do otherwise by the Lender. At the time that this Escrow is terminated, the Deposit and, as instructed by the Lender, any interest thereon shall be disbursed to the ANI License Fund, LLC account referenced above, and all remaining funds shall be disbursed to Lender unless otherwise directed, less Escrow Holder's unpaid fees.

Escrow Holder's Fee. Lender shall pay to Escrow Holder a fee in the amount of \$1,000.00 for Escrow Holder's services provided in connection with this Escrow, which fee shall be paid \$500.00 upon Escrow Holder's receipt of the Deposit and \$500.00 upon Escrow Holder's release of the Deposit.

Escrow Holder's General Provisions. By signature hereon, Lender approves Escrow Holder's General Provisions, a copy of which is attached to this Agreement as Exhibit "A" and are incorporated by reference as if fully set forth in this section.

Escrow Holder's Wiring Instructions. By signature hereon, Lender approves Escrow Holder's Wiring Instructions directive, a copy of which is attached to the Agreement as Exhibit "B" and are incorporated by reference as if fully set forth in this section.

Third Party Beneficiary. The Lender and the Escrow Holder agree that San Diego Private Bank shall be, and is hereby, named an express third party beneficiary of this Agreement, with full rights as such. The language of this Agreement relating to "Release of Deposit" and "Escrow Holder's Requirement to Terminate Escrow" cannot be amended without the advance written consent of the San Diego Private Bank.

IN WITNESS WHEREOF, this Agreement has been executed by the parties effective as of the date indicated above.

LENDER

By:
Date:

ESCROW HOLDER

By:
Date:

Exhibit "A"
GENERAL PROVISIONS

1. DEPOSIT OF FUNDS

The law dealing with the disbursement of funds requires that all funds be available for withdrawal as a matter of right by the title entity's escrow and/or sub-escrow account prior to disbursement of any funds. Only cash or wire-transferred funds can be given immediate availability upon deposit. Cashier's checks, teller's checks and Certified checks may be available one business day after deposit. All other funds such as personal, corporate or partnership checks and drafts are subject to mandatory holding periods which may cause material delays in disbursement of funds in this escrow. In order to avoid delays, all fundings should be wire transferred. Outgoing wire transfers will not be authorized until confirmation of the respective incoming wire transfer or of availability of deposited checks.

Deposit of funds into general escrow trust account unless instructed otherwise. You may instruct Escrow Holder to deposit your funds into an interest bearing account by signing and returning the "Notice of Opportunity to Open Interest Bearing Account", which has been provided to you. If you do not so instruct us, then all funds received in this escrow shall be deposited with other escrow funds in one or more general escrow trust accounts, which include both non-interest bearing demand accounts and other depository accounts of Escrow Holder, in any state or national bank or savings and loan association insured by the Federal Deposit Insurance Corporation (the "depository institutions") and may be transferred to any other such escrow trust accounts of Escrow Holder or one of its affiliates, either within or outside the State of California. A general escrow trust account is restricted and protected against claims by third parties and creditors of Escrow Holder and its affiliates.

Receipt of benefits by Escrow Holder and affiliates. The parties to this escrow acknowledge that the maintenance of such general escrow trust accounts with some depository institutions may result in Escrow Holder or its affiliates being provided with an array of bank services, accommodations or other benefits by the depository institution. Some or all of these benefits may be considered interest due you under California Insurance Code Section 12413.5. Escrow Holder or its affiliates also may elect to enter into other business transactions with or obtain loans for investment or other purposes from the depository institution. All such services, accommodations, and other benefits shall accrue to Escrow Holder or its affiliates and Escrow Holder shall have no obligation to account to the parties to this escrow for the value of such services, accommodations, interest or other benefits.

Said funds will not earn interest unless the instructions otherwise specifically state that funds shall be deposited in an interest-bearing account. All disbursements shall be made by check of (PROFCNTR). The principals to this escrow are hereby notified that the funds deposited herein are insured only to the limit provided by the Federal Deposit Insurance Corporation. Any instruction for bank wire will provide reasonable time or notice for Escrow Holder's compliance with such instruction. Escrow Holder's sole duty and responsibility shall be to place said wire transfer instructions with its wiring bank upon confirmation of (1) satisfaction of conditions precedent or (2) document recordation at close of escrow. Escrow Holder will NOT be held responsible for lost interest due to wire delays caused by any bank or the Federal Reserve System, and recommends that all parties make themselves aware of banking regulations with regard to placement of wires.

In the event there is insufficient time to place a wire upon any such confirmation or the wires have closed for the day, the parties agree to provide written instructions for an alternative method of disbursement. **WITHOUT AN ALTERNATIVE DISBURSEMENT INSTRUCTION, FUNDS WILL BE HELD IN TRUST IN A NON-INTEREST BEARING ACCOUNT UNTIL THE NEXT OPPORTUNITY FOR WIRE PLACEMENT.**

2. PRORATIONS AND ADJUSTMENTS

All prorations and/or adjustments called for in this escrow are to be made on the basis of a thirty (30) day month unless otherwise instructed in writing. You are to use information contained on last available tax statement, rental statement as provided by the Seller, beneficiary's statement and fire insurance policy delivered into escrow for the prorations provided for herein.

3. SUPPLEMENTAL TAXES

The within described property may be subject to supplemental real property taxes due to the change of ownership taking place through this escrow. Any supplemental real property taxes arising as a result of the transfer of the property to Buyer shall be the sole responsibility of Buyer and any supplemental real property taxes arising prior to the closing date shall be the sole responsibility of the Seller. **TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER.**

4. UTILITIES/POSSESSION

Transfer of utilities and possession of the premises are to be settled by the parties directly and outside escrow.

5. PREPARATION AND RECORDATION OF INSTRUMENTS

Escrow Holder is authorized to prepare, obtain, record and deliver the necessary instruments to carry out the terms and conditions of this escrow and to order the policy of title insurance to be issued at close of escrow as called for in these instructions. Close of escrow shall mean the date instruments are recorded.

6. AUTHORIZATION TO FURNISH COPIES

You are authorized to furnish copies of these instructions, supplements, amendments, notices of cancellation and closing statements, to the Real Estate Broker(s) and Lender(s) named in this escrow.

7. RIGHT OF CANCELLATION

Any principal instructing you to cancel this escrow shall file notice of cancellation in your office in writing. You shall, within two (2) working days thereafter, deliver one copy of such notice to each of the other principals at the addresses stated in this escrow. **UNLESS WRITTEN**

OBJECTION TO CANCELLATION IS FILED IN YOUR OFFICE BY A PRINCIPAL WITHIN TEN (10) DAYS AFTER DATE OF SUCH MAILING, YOU ARE AUTHORIZED TO COMPLY WITH SUCH NOTICE AND DEMAND PAYMENT OF YOUR CANCELLATION CHARGES. If written objection is filed, you are authorized to hold all money and instruments in this escrow and take no further action until otherwise directed, either by the principals' mutual written instructions, or by final order of a court of competent jurisdiction.

8. PERSONAL PROPERTY

No examination or insurance as to the amount or payment of personal property taxes is required unless specifically requested.

By signing these General Provisions, the parties to the escrow hereby acknowledge that they are indemnifying the Escrow Holder against any and all matters relating to any "Bulk Sales" requirements, and instruct Escrow Agent to proceed with the closing of escrow without any consideration of matter of any nature whatsoever regarding "Bulk Sales" being handled through escrow.

9. RIGHT OF RESIGNATION

Escrow Holder has the right to resign upon ten (10) days written notice delivered to the principals herein. If such right is exercised, all funds and documents shall be returned to the party who deposited them and Escrow Holder shall have no liability hereunder.

10. AUTHORIZATION TO EXECUTE ASSIGNMENT OF HAZARD INSURANCE POLICIES

Either Buyer, Seller and/or Lender may hand you the insurance agent's name and insurance policy information, and you are to execute, on behalf of the principals hereto, form assignments of interest in any insurance policy (other than title insurance) called for in this escrow, forward assignment and policy to the insurance agent, requesting that the insurer consent to such transfer and/or attach a loss payable

clause and/or such other endorsements as may be required, and forward such policy(s) to the principals entitled thereto. It is not your responsibility to verify the information furnished you or the assignability of said insurance. Your sole duty is to forward said request to insurance agent at close of escrow.

Further, there shall be no responsibility upon the part of Escrow Holder to renew hazard insurance policy(s) upon expiration or otherwise keep it in force either during or subsequent to the close of escrow. Cancellation of any existing hazard insurance policies is to be handled directly by the principals, and outside of escrow.

11. ACTION IN INTERPLEADER

The principals hereto expressly agree that you, as Escrow Holder, have the absolute right at your election to file an action in interpleader requiring the principals to answer and litigate their several claims and rights among themselves and you are authorized to deposit with the clerk of the court all documents and funds held in this escrow. In the event such action is filed, the principals jointly and severally agree to pay your cancellation charges and costs, expenses and reasonable attorney's fees which you are required to expend or incur in such interpleader action, the amount thereof to be fixed and judgment therefore to be rendered by the court. Upon the filing of such action, you shall thereupon be fully released and discharged from all obligations imposed by the terms of this escrow or otherwise.

12. TERMINATION OF AGENCY OBLIGATION

If there is no action taken on this escrow within six (6) months after the "time limit date" as set forth in the escrow instructions or written extension thereof, your agency obligation shall terminate at your option and all documents, monies or other items held by you shall be returned to the parties depositing same. In the event of cancellation of this escrow, whether it be at the request of any of the principals or otherwise, the fees and charges due (PROFCNTR), including expenditures incurred and/or authorized shall be borne equally by the parties hereto (unless otherwise agreed to specifically).

13. CONFLICTING INSTRUCTIONS

Upon receipt of any conflicting instructions, you are to take no action in connection with this escrow until non-conflicting instructions are received from all of the principals to this escrow (subject to sections 7, 9, 11 and 12 above).

14. REIMBURSEMENT ATTORNEY FEES/ESCROW HOLDER

In the event that a suit is brought by any party or parties to these escrow instructions to which the Escrow Holder is named as a party which results in a judgment in favor of the Escrow Holder and against a principal or principals herein, the principals or principals' agent agree to pay said Escrow Holder all costs, expenses and reasonable attorney's fees which it may expend or incur in said suit, the amount thereof to be fixed and judgment therefore to be rendered by the court in said suit.

15. DELIVERY/RECEIPT

Delivery to principals as used in these instructions unless otherwise stated herein is to be by regular mail, and receipt is determined to be 72 hours after such mailing. All documents, balances and statements due to the undersigned are to be mailed to the address shown herein. All notices, change of instructions, communications and documents are to be delivered in writing to the office of Chicago Title Company as set forth herein.

16. STATE/FEDERAL CODE NOTIFICATIONS

According to Federal Law, the Seller, when applicable, will be required to complete a sales activity report that will be utilized to generate a 1099 statement to the Internal Revenue Service.

Pursuant to State Law, prior to the close of escrow, Buyer will provide Escrow Holder with a Preliminary Change of Ownership Report. In the event said report is not handed to Escrow Holder for submission to the County in which subject property is located, upon recording of the Grant Deed, Buyers acknowledge that the applicable fee will be assessed by said County and Escrow Holder shall debit the account of Buyer for same at close of escrow.

Buyer and Seller herein represent and warrant that they will seek and obtain independent legal advice and counsel relative to their obligations under the "Foreign Investors in Real Property Act", and any other applicable federal and/or state laws regarding same, and will take all steps necessary in order to comply with such requirements and hereby hold you harmless relative to their compliance therewith.

17. ENCUMBRANCES

Escrow Holder is to act upon any statements furnished by a lienholder or his agent without liability or responsibility for the accuracy of such statements. Any adjustments necessary because of a discrepancy between the information furnished Escrow Holder and any amount later determined to be correct shall be settled between the parties direct and outside of escrow.

You are authorized, without the need for further approval, to debit my account for any fees and charges that I have agreed to pay in connection with this escrow, and for any amounts that I am obligated to pay to the holder of any lien or encumbrance to establish the title as insured by the policy of title insurance called for in these instructions. If for any reason my account is not debited for such amounts at the time of closing, I agree to pay them immediately upon demand, or to reimburse any other person or entity who has paid them.

18. ENVIRONMENTAL ISSUES

Chicago Title Company has made no investigation concerning said property as to environmental/toxic waste issues. Any due diligence required or needed to determine environmental impact as to focus of toxification, if applicable, will be done directly and by principals outside of escrow. Chicago Title Company is released of any responsibility and/or liability in connection therewith.

19. USURY

Escrow Holder is not to be concerned with any questions of usury in any loan or encumbrance involved in the processing of this escrow and is hereby released of any responsibility or liability therefore.

20. DISCLOSURE

Escrow Holder's knowledge of matters affecting the property, provided such facts do not prevent compliance with these instructions, does not create any liability or duty in addition to these instructions.

21. FACSIMILE SIGNATURE

Escrow Holder is hereby authorized and instructed that, in the event any party utilizes "facsimile" (transmitted signed documents or instructions to Escrow Holder, you are to rely on the same for all escrow instruction purposes and the closing of escrow as if they bore original signatures. Each party shall make every effort to provide to the other party and to Escrow Holder, within 72 hours after transmission, duplicate original documents or instructions bearing the original signatures. Each party further acknowledges and agrees that documents with non-original signatures may not be accepted for recording by the County Recorder, therefore no closing or recording may take place without the submission of the original documents.

22. CLARIFICATION OF DUTIES

Chicago Title Company serves ONLY as an Escrow Holder in connection with these instructions and cannot give legal advice to any party hereto.

Escrow Holder is not to be held accountable or liable for the sufficiency or correctness as to form, manner of execution, or validity of any instrument deposited in this escrow, nor as to the identity, authority or rights of any person executing the same. Escrow Holder's duties hereunder shall be limited to the proper handling of such money and the proper safekeeping of such instruments, or other documents received by Escrow Holder, and for the disposition of same in accordance with the written instructions accepted by Escrow Holder.

The agency and duties of Escrow Holder commence only upon receipt of copies of these Escrow Instructions executed by all parties.

23. FUNDS HELD IN ESCROW

When the company has funds remain in escrow over 90 days after close of escrow or estimated close of escrow, the Company shall impose a monthly holding fee of \$2500 that is to be charged against the funds held by the Company.

THIS AGREEMENT IN ALL PARTS APPLIES TO, INURES TO THE BENEFIT OF, AND BINDS ALL PARTIES HERETO, THEIR HEIRS, LEGATEES, DEVISEES, ADMINISTRATORS, EXECUTORS, SUCCESSORS AND ASSIGNS, AND WHENEVER THE CONTEXT SO REQUIRES THE MASCULINE GENDER INCLUDES THE FEMININE AND NEUTER, AND THE SINGULAR NUMBER INCLUDES THE PLURAL. THESE INSTRUCTIONS AND ANY OTHER AMENDMENTS MAY BE EXECUTED IN ANY NUMBER OF COUNTERPARTS, EACH OF WHICH SHALL BE CONSIDERED AS AN ORIGINAL AND BE EFFECTIVE AS SUCH.

MY SIGNATURE HERETO CONSTITUTES INSTRUCTION TO ESCROW HOLDER OF ALL TERMS AND CONDITIONS CONTAINED IN THIS AND ALL PRECEDING PAGES AND FURTHER SIGNIFIES THAT I HAVE READ AND UNDERSTAND THESE GENERAL PROVISIONS.

Chicago Title Company conducts escrow business under a Certificate of Authority No. 350 issued by the California Department of Insurance.

EXHIBIT "B"

Wiring Instructions

All Funds related to the Section on Release of the Initial Deposit held in Escrow will be wired on behalf of Lender directly to the following:

Name of Bank:	San Diego Private Bank
Address of Bank:	9404 Genessee Avenue, Suite 100
City and State:	La Jolla, CA 92037
ABA Number:	122244029
FCC:	ANI License Fund, LLC
Bank Account Number:	

ATTACHMENT 2

CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No.	Call / Coll.	Account	Officer	Initials
\$7,500,000.00	06-20-2016	03-10-2017	52246			PA	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

Principal Amount: \$7,500,000.00

Initial Rate: 6.500%

Date of Agreement: June 20, 2016

DESCRIPTION OF EXISTING INDEBTEDNESS. Promissory Note dated September 9, 2015 in the original principal amount of \$5,000,000.00 between Borrower and Lender, with the current principal balance of \$4,850,000.00.

DESCRIPTION OF COLLATERAL. Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264001 (ANI License Fund, LLC) and Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2016 as filing #15-7484264485 (ANI Development, LLC).

DESCRIPTION OF CHANGE IN TERMS.

1. Effective June 20, 2016, the Promissory Note is modified as follows:

The Principal Amount of the Note is hereby increased from \$5,000,000.00 to \$7,500,000.00.

All other terms and conditions shall remain the same.

2. Effective June 20, 2016, the Business Loan Agreements is modified as follows:

The section LOAN ADVANCES shall include the following sentence: Borrower acknowledges and agrees that upon receipt of funds from Chicago Title Company ("Escrow Holder") for repayment of each Advance that Lender may debit the Borrower's DDA account / and credit Loan #52246 for the principal amount of the each Advance being repaid by Escrow Holder without additional approval from Borrower.

All other terms and conditions shall remain the same.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on March 10, 2017. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning July 10, 2016, with all subsequent interest payments to be due on the same day of each month after that.

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the U. S. Prime Rate as published in the Money Rates section of the Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 3.500% per annum. Interest on the unpaid principal balance of this loan will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 3.000 percentage points over the Index, resulting in an Initial rate of 6.500%. NOTICE: Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this loan is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year (365 for all years, including leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this loan is computed using this method.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

GUARANTOR EXHIBIT. An exhibit, titled "GUARANTOR EXHIBIT," is attached to this Agreement and by this reference is made a part of this Agreement just as if all the provisions, terms and conditions of the Exhibit had been fully set forth in this Agreement.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: Gina Champion-Celn, Manager of ANI License Fund, LLC, a California limited liability company

By: Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

CHANGE IN TERMS AGREEMENT

References in the terms above are for Lender's use only and do not limit the applicability of this document to any particular loan or term.
Any term above containing: **** has been omitted due to text length limitations.

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

Principal Amount: \$7,500,000.00

Initial Rate: 6.500%

Date of Agreement: June 20, 2016

DESCRIPTION OF EXISTING INDEBTEDNESS. Promissory Note dated September 9, 2016 in the original principal amount of \$5,000,000.000 between Borrower and Lender, with the current principal balance of \$4,650,000.00.

DESCRIPTION OF COLLATERAL. Commercial Security Agreement dated September 9, 2016 perfected by UCC Financing Statement filed September 10, 2016 as filing #16-7484264001 (ANI License Fund, LLC) and Commercial Security Agreement dated September 9, 2016 perfected by UCC Financing Statement filed September 10, 2016 as filing #16-7484264485 (ANI Development, LLC).

DESCRIPTION OF CHANGE IN TERMS.

1. Effective June 20, 2016, the Promissory Note is modified as follows:

The Principal Amount of the Note is hereby increased from \$5,000,000.00 to \$7,500,000.00.

All other terms and conditions shall remain the same.

2. Effective June 20, 2016, the Business Loan Agreements is modified as follows:

The section LOAN ADVANCES shall include the following sentence: Borrower acknowledges and agrees that upon receipt of funds from Chicago Title Company ("Escrow Holder") for repayment of each Advance that Lender may debit the Borrower's DDA account # and credit Loan #52246 for the principal amount of the each Advance being repaid by Escrow Holder without additional approval from Borrower.

All other terms and conditions shall remain the same.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on March 10, 2017. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning July 10, 2016, with all subsequent interest payments to be due on the same day of each month after that.

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the U. S. Prime Rate as published in the Money Rates section of the Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 3.500% per annum. Interest on the unpaid principal balance of this loan will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 3.000 percentage points over the Index, resulting in an initial rate of 6.500%. NOTICE: Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this loan is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year (365 for all years, including leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this loan is computed using this method.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

GUARANTOR EXHIBIT. An exhibit, titled "GUARANTOR EXHIBIT," is attached to this Agreement and by this reference is made a part of this Agreement just as if all the provisions, terms and conditions of the Exhibit had been fully set forth in this Agreement.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By:

Gina Champion-Gunn, Manager of ANI License Fund, LLC, a California limited liability company

By:

Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

CHANGE IN TERMS AGREEMENT
(Continued)

Loan No: 52246

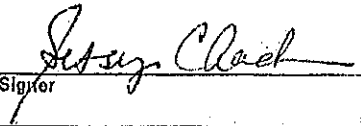
Page 2

LENDER:

SAN DIEGO PRIVATE BANK

X

Authorized Signer



1400706, Ver. 18.1.0.035 Copy, D+H USA Corporation 1997, 2016. All Rights Reserved. * CA A101AALAT01CHILFUD20C2C 18-2217 PA-1

GUARANTOR EXHIBIT

Principal	Loan Date	Maturity	Loan No.	Call Coll	Account	Officer	Initials
\$7,500,000.00	06-20-2016	03-10-2017	52246			PA	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

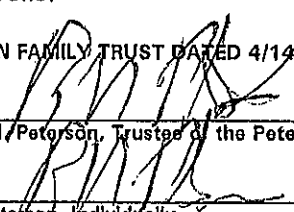
Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

This GUARANTOR EXHIBIT is attached to and by this reference is made a part of the Change in Terms Agreement, dated June 20, 2016, and executed in connection with a loan or other financial accommodations between SAN DIEGO PRIVATE BANK and ANI License Fund, LLC, a California limited liability company.

Guarantors have reviewed the Change in Terms Agreement and hereby consent to its execution by Borrower. Guarantors acknowledge and agree that: (a) The execution of the Change in Terms Agreement shall not impair, limit, abrogate or reduce in any manner or to any extent the obligations of Guarantors under the Guaranty; and (b) Lender would not enter into the Change in Terms Agreement without the execution and delivery of this consent. Guarantors acknowledge and agree that, notwithstanding the execution of the Change in Terms Agreement: (a) Guarantors remain liable under and pursuant to the Guaranty to the fullest extent as if the original provisions of the Related Documents were as reflected in the Related Documents as modified by the Change in Terms Agreement; (b) Each provision of the Guaranty remains unaffected and unchanged and in full force and effect, and (c) Guarantors hereby renew, reaffirm, ratify and confirm the Guaranty.

GUARANTORS:

PETERSON FAMILY TRUST DATED 4/14/1992

BY: 
Kim H. Peterson, Trustee of the Peterson Family Trust

Kim H. Peterson, Individually

THE GINA CHAMPION-CAIN REVOCABLE TRUST AGREEMENT DATED JUNE 28, 2012

By: _____
Gina Champion-Cain

Gina Champion-Cain, Individually.

THIS GUARANTOR EXHIBIT IS EXECUTED ON JUNE 20, 2016.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: _____
Gina Champion-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By: 
Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

LENDER:

SAN DIEGO PRIVATE BANK

X _____
Authorized Signer

ATTACHMENT 3

CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	03-10-2018	52246			PA	MC

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

Principal Amount: \$12,500,000.00

Initial Rate: 7.000%

Date of Agreement: April 4, 2017

DESCRIPTION OF EXISTING INDEBTEDNESS.

Promissory Note dated September 9, 2015 in the original Principal Amount of \$5,000,000.00 as modified by Change in Terms Agreement dated June 20, 2016 increasing the Principal Amount to \$7,500,000.00 together with all renewals, extensions and modifications related thereto (the "Note").

DESCRIPTION OF COLLATERAL.

Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264001 (ANI License Fund, LLC) and Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264485 (ANI Development, LLC).

DESCRIPTION OF CHANGE IN TERMS.

Effective March 10, 2017, the Note is hereby modified as follows:

1. The date on which all outstanding principal is due and payable together with any accrued but unpaid interest (the "Maturity Date") is hereby extended from March 10, 2017 to March 10, 2018.
2. The Principal Amount of the Note is hereby increased from \$7,500,000.00 to \$12,500,000.00. Borrower promises to pay to Lender, the principal amount of \$12,500,000.00, or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance made under the Note.
3. The section entitled LINE OF CREDIT is modified to include the following as subsection (F). Borrower acknowledges and agrees that the current combined legal lending limit of Lender and Lender's participant is \$12,448,000. Unless and until such lending limit is increased, Borrower will not receive advances and will not request advances in excess of the amount of \$12,448,000.

The Business Loan Agreement is modified as follows:

1. The section entitled Guaranties is hereby modified as follows: ANI Development, LLC is hereby added as an unlimited Guarantor.
2. Commercial Guaranty of even date by ANI Development, LLC, a California limited liability company is executed concurrently with this Agreement.
3. The section entitled LOAN ADVANCES is hereby modified and restated as follows: Borrower may request an Advance by submitting to Lender a completed Loan Request in the form attached as Exhibit A at least three (3) days prior to the proposed funding. Each Advance shall be funded to Chicago Title Company pursuant to the form of Escrow Agreement attached hereto as Exhibit B. In the alternative, an Advance may be funded to a Borrower account with Lender to be funded to Chicago Title Company as provided in this Agreement. The date on which each Advance shall be repaid (the "Due Date") shall be three Business Days following the earliest of (1) the date License Applicant delivers to Escrow Holder the License Applicant's funds to replace the principal amount of the Advance, (2) the date the License Applicant's license transfer escrow is terminated because the ABC disapproved the License Applicant's transfer application, or (3) the date that is 300 days after the Loan Date for such Advance. Borrower shall pay to Lender for each Advance Lender's standard wire transfer fees. Borrower acknowledges and agrees that funds received from Chicago Title Company ("Escrow Holder") for repayment of each Advance shall be deposited into the Borrower's DDA account # ("Restricted Account"). Borrower acknowledges and agrees that Borrower shall have no control over or access to the Restricted Account under any circumstances. Lender is hereby irrevocably authorized to debit the Restricted Account and credit Loan #52246 for the principal and interest owed on each Advance being repaid by Escrow Holder without any additional approval from Borrower. After Lender debits the Restricted Account for repayment of a particular Advance, Lender shall deposit any remaining funds held in the Restricted Account related to such Advance into the Borrower's DDA account # 00219355 ("Unrestricted Account"). Borrower shall have access only to the Unrestricted Account.
4. Add the following provision: **CONTRACTUAL COMMITMENT TO ADVANCE FUNDS.** The Lender agrees to advance funds under this Loan as long as the outstanding principal balance combined with all other outstanding obligations of the Borrower to the Lender and the amount of such advance is within the Lender's lending limit on the date of funding as determined under 12 U.S.C. 84 and regulations thereunder. If the advance of funds requested by Borrower will cause the Borrower's combined outstanding obligations to be greater than the institution's lending limit, then the Lender shall have no obligation to make such advance. The Lender's refusal to advance funds to Borrower under this condition will not be considered a breach of this contract and will release the Lender from its obligation to advance funds.

All other terms and conditions shall remain the same.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on March 10, 2018. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning April 10, 2017, with all subsequent interest payments to be due on the same day of each month after that.

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the U. S. Prime Rate as published in the Money Rates section of the Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 4.000% per annum. Interest on the unpaid principal balance of this loan will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 3.000 percentage points over the Index, resulting in an initial rate of 7.000%. NOTICE: Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this loan is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year (365 for all years, including leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this loan is computed using this method.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does

**CHANGE IN TERMS AGREEMENT
(Continued)**

Loan No: 52246

Page 2

not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

GUARANTOR EXHIBIT. An exhibit, titled "GUARANTOR EXHIBIT," is attached to this Agreement and by this reference is made a part of this Agreement just as if all the provisions, terms and conditions of the Exhibit had been fully set forth in this Agreement.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 

Gina Champion-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By: 

Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

LENDER:

SAN DIEGO PRIVATE BANK

x 

Authorized Signer

EXHIBIT A to Business Loan Agreement
(Loan Request Form)

Exhibit A

LOAN REQUEST

To: San Diego Private Bank
9404 Genesee Avenue, Suite 100
La Jolla, California 92037

Attn: Betsy Chadwick

ANI License Fund, LLC ("Borrower"), hereby requests from San Diego Private Bank ("SDPB") a Loan in the amount of \$ _____ on _____, 20__ (the "Loan Date") pursuant to the Loan Agreement between Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please wire funds to:

Bank: Union Bank, Monterey Park, CA
Escrow Agent: Chicago Title Company
ABA Number: 122000496
Account Number:
Reference: Escrow/Title Order No. ~~32743-DD~~ 66061DD
Escrow Office Name: Della Ducharme Unit

Borrower represents that the conditions precedent to the Loan set forth in the Agreement are satisfied and shall be satisfied upon the making of such Loan, including but not limited to (i) that no event that has had or could reasonably be expected to have a material adverse effect has occurred and is continuing; (ii) that the representations and warranties set forth in the Agreement are and shall be true and correct in all material respects on and as of the Loan Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date; (iii) that Borrower is in compliance with all the terms and provisions set forth in each Loan Document on its part to be observed or performed; and (iv) that as of the Loan Date, no fact or condition exists that would (or would, with the passage of time, the giving of notice, or both) constitute an Event of Default under the Loan Documents. Borrower understands and acknowledges that SDPB has the right to review the financial information supporting this representation and Lender may decline to fund the requested Loan if following such review SDPB reasonably concludes such representation is not accurate in any material respect.

Borrower hereby represents that Borrower's corporate status and locations have not changed since the date of the Agreement.

Borrower agrees to notify SDPB promptly before the funding of the Loan if any of the matters which have been represented above were not true and correct on the Loan Date, and if Lender has received no such notice before the Loan Date, then the statements set forth above shall be deemed to have been made and shall be deemed to be true and correct as of the Loan Date.

Executed as of _____, 20__

ANI License Fund, LLC,

By _____
Kim H. Peterson or Gina Champion Cain

EXHIBIT B to Business Loan Agreement
(Escrow Agreement)

Escrow No. 66061-DD

Chicago Title Company
701 B Street, Suite 760
San Diego, California 92101

ESCROW AGREEMENT
(Holding Funds)

This Escrow Agreement ("Agreement") is made and entered into as of _____, 2017, by and between ANI Development, LLC, a California limited liability company ("Lender"), and Chicago Title Company, a California corporation ("Escrow Holder").

R E C I T A L S

Lender desires to deposit certain funds and direct others to deposit certain funds (the "Deposit") into this Escrow and to provide Escrow Holder with written instructions setting forth the conditions under which Escrow Holder will invest and hold the funds and ultimately disburse them.

Lender and Escrow Holder understand that this is a limited escrow only and is being opened for the benefit of _____ ("Applicant"), who is applying for approval of a transfer to Applicant of a license issued by the California Department of Alcoholic Beverage Control ("ABC") under Business and Professions Code sections 24070-24082. The license that is the subject of Applicant's application to ABC is License No. _____ ("the License").

NOW, THEREFORE, the parties agree as follows:

A G R E E M E N T S

Deposit. Within five business days following the date this Agreement is signed by Lender and Escrow Holder, Lender will cause to be deposited a total sum of \$_____ ("the Deposit") with Escrow Holder for the refundable deposit for Applicant's application to ABC for approval of transfer to Applicant of the License. The source of funds for the Deposit shall be from an account at San Diego Private Bank in the name of ANI License Fund, LLC. Escrow Holder will do the following:

Invest Funds. Place the Deposit into an interest-bearing account with all interest accruing to the account of Lender. Concurrently herewith, Lender will provide Escrow Holder with the required IRS Form W-9 and Investment Instructions required to establish such account.

226 Form. Escrow Holder shall send to ABC a completed Form 226 upon Escrow Holder's receipt of the Deposit.

Ownership of Deposit. It is acknowledged and understood that only ANI License Fund, LLC has an ownership interest in the Deposit and that Lender has no ownership interest in the Deposit and has no right to direct the disposition of the Deposit except as set forth in and as provided in the Release of Deposit paragraph as follows.

Release of the Initial Deposit. At any time, Lender may provide written instructions to Escrow Holder to release all or a portion of the Deposit and the interest thereon. During the term of this Escrow, upon the written instructions from the Lender, Escrow Holder will disburse the Deposit and, as instructed by the Lender, only to the following account:

San Diego Private Bank
ABA # 122244029
FCC: ANI License Fund, LLC
A/C#

Upon receipt of such instructions, Escrow Holder's only duty is to comply with said instructions and to disburse the Deposit as requested by Lender, and in accordance with this Escrow Agreement.

Escrow Holder's Requirement to Terminate Escrow. Escrow Holder shall terminate this Escrow upon the instructions of Lender or 300 days after this Escrow has been opened, unless requested to do otherwise by both Lender and San Diego Private Bank. At the time that this Escrow is terminated, the Deposit and, as instructed by the Lender, any interest thereon shall be disbursed to the ANI License Fund, LLC account referenced above, and all remaining funds shall be disbursed to Lender unless otherwise directed, less Escrow Holder's unpaid fees.

Escrow Holder's Fee. Lender shall pay to Escrow Holder a fee in the amount of \$1,000.00 for Escrow Holder's services provided in connection with this Escrow, which fee shall be paid \$500.00 upon Escrow Holder's receipt of the Deposit and \$500.00 upon Escrow Holder's release of the Deposit.

Escrow Holder's General Provisions. By signature hereon, Lender approves Escrow Holder's General Provisions, a copy of which is attached to this Agreement as Exhibit "A" and are incorporated by reference as if fully set forth in this section.

Escrow Holder's Wiring Instructions. By signature hereon, Lender approves Escrow Holder's Wiring Instructions directive, a copy of which is attached to the Agreement as Exhibit "B" and are incorporated by reference as if fully set forth in this section.

Third-Party Beneficiary. The Lender and the Escrow Holder agree that San Diego Private Bank shall be, and is hereby, named an express third party beneficiary of this Agreement, with full rights as such. The language of this Agreement relating to "Release of Deposit" and "Escrow Holder's Requirement to Terminate Escrow" cannot be amended without the advance written consent of the San Diego Private Bank.

IN WITNESS WHEREOF, this Agreement has been executed by the parties effective as of the date indicated above.

LENDER

ANI Development, LLC,
a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

By _____
Gina Champion-Cain

Date: _____, 2017

ESCROW HOLDER

Chicago Title Company,
a California corporation

By _____

Print Name: _____

Date: _____, 2017

GUARANTOR EXHIBIT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	03-10-2018	52246			PA	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

This GUARANTOR EXHIBIT is attached to and by this reference is made a part of the Change in Terms Agreement, dated April 4, 2017, and executed in connection with a loan or other financial accommodations between SAN DIEGO PRIVATE BANK and ANI License Fund, LLC, a California limited liability company.

Guarantors have reviewed the Change in Terms Agreement and hereby consent to its execution by Borrower. Guarantors acknowledge and agree that: (a) The execution of the Change in Terms Agreement shall not impair, limit, abrogate or reduce in any manner or to any extent the obligations of Guarantors under the Guaranty; and (b) Lender would not enter into the Change in Terms Agreement without the execution and delivery of this consent. Guarantors acknowledge and agree that, notwithstanding the execution of the Change in Terms Agreement: (a) Guarantors remain liable under and pursuant to the Guaranty to the fullest extent as if the original provisions of the Related Documents were as reflected in the Related Documents as modified by the Change in Terms Agreement; (b) Each provision of the Guaranty remains unaffected and unchanged and in full force and effect, and (c) Guarantors hereby renew, reaffirm, ratify and confirm the Guaranty.

GUARANTORS:

PETERSON FAMILY TRUST DATED 4/14/1992

BY: [Signature]
Kim H. Peterson, Trustee of the Peterson Family Trust

X: [Signature]
Kim H. Peterson, Individually

THE GINA CHAMPION-CAIN REVOCABLE TRUST AGREEMENT DATED JUNE 26, 2012

By: [Signature]
Gina Champion-Cain

X: [Signature]
Gina Champion-Cain, Individually

ANI DEVELOPMENT, LLC, a California limited liability company

By: [Signature]
Gina Champion-Cain, Manager

THIS GUARANTOR EXHIBIT IS EXECUTED ON APRIL 4, 2017.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: [Signature]
Gina Champion-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By: [Signature]
Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

**GUARANTOR EXHIBIT
(Continued)**

Loan No: 52246

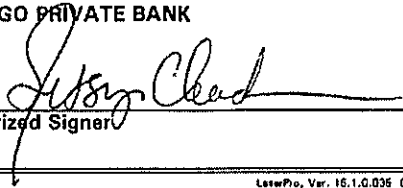
Page 2

LENDER:

SAN DIEGO PRIVATE BANK

X

Authorized Signer



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ATTACHMENT 4

CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No.	Contract	Account	Officer	Initials
\$12,500,000.00	09-08-2015	06-10-2018	52248			PA	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

Principal Amount: \$12,500,000.00

Initial Rate: 7.500%

Date of Agreement: March 6, 2018

DESCRIPTION OF EXISTING INDEBTEDNESS.

Promissory Note dated September 9, 2015 in the original Principal Amount of \$5,000,000.00 as modified by Change In Terms Agreement dated June 20, 2016 in the amount of \$7,500,000.00 and a Change in Terms Agreement dated April 4, 2017 increasing the Principal Amount to \$12,500,000.00, together with all renewals, extensions and modifications related thereto (the "Note").

DESCRIPTION OF COLLATERAL.

Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264001 (ANI License Fund, LLC) and Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264485 (ANI Development, LLC).

DESCRIPTION OF CHANGE IN TERMS.

The Note is hereby modified as follows: The date on which all outstanding principal is due and payable together with any accrued but unpaid interest (the "Maturity Date") is hereby extended from March 10, 2018 to June 10, 2018.

All other terms and conditions shall remain the same.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on June 10, 2018. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning April 10, 2018, with all subsequent interest payments to be due on the same day of each month after that.

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the U. S. Prime Rate as published in the Money Rates section of the Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 4.500% per annum. Interest on the unpaid principal balance of this loan will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 3.000 percentage points over the Index, resulting in an initial rate of 7.500%. NOTICE: Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this loan is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year (365 for all years, including leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this loan is computed using this method.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorser of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

GUARANTOR EXHIBIT. An exhibit, titled "GUARANTOR EXHIBIT," is attached to this Agreement and by this reference is made a part of this Agreement just as if all the provisions, terms and conditions of the Exhibit had been fully set forth in this Agreement.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.


BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 
Gina Champion-Gain, Manager of ANI License Fund, LLC, a California limited liability company

By: 
Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	06-10-2018	52246			PA	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

Principal Amount: \$12,500,000.00

Initial Rate: 7.500%

Date of Agreement: March 6, 2018

DESCRIPTION OF EXISTING INDEBTEDNESS.

Promissory Note dated September 9, 2015 in the original Principal Amount of \$5,000,000.00 as modified by Change in Terms Agreement dated June 20, 2016 in the amount of \$7,500,000.00 and a Change in Terms Agreement dated April 4, 2017 increasing the Principal Amount to \$12,500,000.00, together with all renewals, extensions and modifications related thereto (the "Note").

DESCRIPTION OF COLLATERAL.

Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264001 (ANI License Fund, LLC) and Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264485 (ANI Development, LLC).

DESCRIPTION OF CHANGE IN TERMS.

The Note is hereby modified as follows: The date on which all outstanding principal is due and payable together with any accrued but unpaid interest (the "Maturity Date") is hereby extended from March 10, 2018 to June 10, 2018.

All other terms and conditions shall remain the same.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on June 10, 2018. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning April 10, 2018, with all subsequent interest payments to be due on the same day of each month after that.

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the U. S. Prime Rate as published in the Money Rates section of the Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 4.500% per annum. Interest on the unpaid principal balance of this loan will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 3.000 percentage points over the Index, resulting in an initial rate of 7.500%. NOTICE: Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this loan is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year (365 for all years, including leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this loan is computed using this method.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

GUARANTOR EXHIBIT. An exhibit, titled "GUARANTOR EXHIBIT," is attached to this Agreement and by this reference is made a part of this Agreement just as if all the provisions, terms and conditions of the Exhibit had been fully set forth in this Agreement.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: Gina Champion-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By: 
Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

Loan No: 52246

**CHANGE IN TERMS AGREEMENT
(Continued)**

Page 2

LENDER:

SAN DIEGO PRIVATE BANK

x *Lissy Chad*
Authorized Signer

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GUARANTOR EXHIBIT

Principal	Loan Date	Maturity	Loan No.	Call / Cdn	Account	Officer	Initials
\$12,500,000.00	09-09-2015	08-10-2018	52246			PA	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

This GUARANTOR EXHIBIT is attached to and by this reference is made a part of the Change in Terms Agreement, dated March 5, 2018, and executed in connection with a loan or other financial accommodations between SAN DIEGO PRIVATE BANK and ANI License Fund, LLC, a California limited liability company.

Guarantors have reviewed the Change in Terms Agreement and hereby consent to its execution by Borrower. Guarantors acknowledge and agree that: (a) The execution of the Change in Terms Agreement shall not impair, limit, abrogate or reduce in any manner or to any extent the obligations of Guarantors under the Guaranty; and (b) Lender would not enter into the Change in Terms Agreement without the execution and delivery of this consent. Guarantors acknowledge and agree that, notwithstanding the execution of the Change in Terms Agreement: (a) Guarantors remain liable under and pursuant to the Guaranty to the fullest extent as if the original provisions of the Related Documents were as reflected in the Related Documents as modified by the Change in Terms Agreement; (b) Each provision of the Guaranty remains unaffected and unchanged and in full force and effect, and (c) Guarantors hereby renew, reaffirm, ratify and confirm the Guaranty.

GUARANTORS:

PETERSON FAMILY TRUST DATED 4/14/1992

By: [Signature]
Kim H. Peterson, Trustee of the Peterson Family Trust

X: [Signature]
Kim H. Peterson, Individually

THE GINA CHAMPION-CAIN REVOCABLE TRUST AGREEMENT DATED JUNE 26, 2012 AND AMENDED MARCH 23, 2016

By: [Signature] Trustee
Gina Champion-Cain, Trustee of The Gina Champion-Cain Revocable Trust

X: [Signature]
Gina Champion-Cain, Individually

ANI DEVELOPMENT, LLC, a California limited liability company

By: [Signature]
Gina Champion-Cain, Managing Member of ANI Development, LLC, a California limited liability company

THIS GUARANTOR EXHIBIT IS EXECUTED ON MARCH 5, 2018.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: [Signature]
Gina Champion-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By: [Signature]
Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

GUARANTOR EXHIBIT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	06-10-2018	52246			PA	<i>PC</i>
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

This GUARANTOR EXHIBIT is attached to and by this reference is made a part of the Change in Terms Agreement, dated March 6, 2018, and executed in connection with a loan or other financial accommodations between SAN DIEGO PRIVATE BANK and ANI License Fund, LLC, a California limited liability company.

Guarantors have reviewed the Change in Terms Agreement and hereby consent to its execution by Borrower. Guarantors acknowledge and agree that: (a) The execution of the Change in Terms Agreement shall not impair, limit, abrogate or reduce in any manner or to any extent the obligations of Guarantors under the Guaranty; and (b) Lender would not enter into the Change in Terms Agreement without the execution and delivery of this consent. Guarantors acknowledge and agree that, notwithstanding the execution of the Change in Terms Agreement: (a) Guarantors remain liable under and pursuant to the Guaranty to the fullest extent as if the original provisions of the Related Documents were as reflected in the Related Documents as modified by the Change in Terms Agreement; (b) Each provision of the Guaranty remains unaffected and unchanged and in full force and effect, and (c) Guarantors hereby renew, reaffirm, ratify and confirm the Guaranty.

GUARANTORS:

PETERSON FAMILY TRUST DATED 4/14/1992

BY: *Kim H. Peterson*
Kim H. Peterson, Trustee of the Peterson Family Trust

X: *Kim H. Peterson*
Kim H. Peterson, Individually

THE GINA CHAMPION-CAIN REVOCABLE TRUST AGREEMENT DATED JUNE 26, 2012 AND AMENDED MARCH 23, 2015

By: *Gina Champion-Cain*
Gina Champion-Cain, Trustee of The Gina Champion-Cain Revocable Trust

X: *Gina Champion-Cain*
Gina Champion-Cain, Individually

ANI DEVELOPMENT, LLC, a California limited liability company

By: *Gina Champion-Cain*
Gina Champion-Cain, Managing Member of ANI Development, LLC, a California limited liability company

THIS GUARANTOR EXHIBIT IS EXECUTED ON MARCH 6, 2018.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: *Gina Champion-Cain*
Gina Champion-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By: *Kim H. Peterson*
Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

**GUARANTOR EXHIBIT
(Continued)**

Loan No: 52246

Page 2

LENDER:

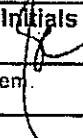
SAN DIEGO PRIVATE BANK

x 
Authorized Signer

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ATTACHMENT 5

CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	06-10-2019	52246			EAC	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: CalPrivate Bank
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

Principal Amount: \$12,500,000.00

Initial Rate: 8.000%

Date of Agreement: June 27, 2018

DESCRIPTION OF EXISTING INDEBTEDNESS.

Promissory Note dated September 9, 2015 in the original Principal Amount of \$5,000,000.00 as modified by Change in Terms Agreement dated June 20, 2016 in the amount of \$7,500,000.00 and Change in Terms Agreements dated April 4, 2017 and March 6, 2018 in the Principal Amount to \$12,500,000.00, together with all renewals, extensions and modifications related thereto (the "Note").

DESCRIPTION OF COLLATERAL.

Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264001 (ANI License Fund, LLC) and Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264485 (ANI Development, LLC).

DESCRIPTION OF CHANGE IN TERMS.

The Note is hereby modified as follows:

1. The date on which all outstanding principal is due and payable together with any accrued but unpaid interest (the "Maturity Date") is hereby extended from June 10, 2018 to June 10, 2019.

The Business Loan Agreement is hereby modified as follows.

1. Borrower to provide, on a quarterly basis, statements from Chicago Title with the names and amounts of CalPrivate Bank advances.

2. The section entitled LOAN ADVANCES is hereby modified and restated as follows:

The date on which each Advance shall be repaid (the "Due Date") shall be three Business Days following the earliest of (1) the date License Applicant delivers to Escrow Holder the License Applicant's funds to replace the principal amount of the Advance, (2) the date the License Applicant's license transfer escrow is terminated because the ABC disapproved the License Applicant's transfer application, or (3) the date that is 300 days after the Loan Date for such Advance and the Escrow has been terminated by both ANI License Fund, LLC and CalPrivate Bank.

All other terms and conditions shall remain the same.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on June 10, 2019. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning July 10, 2018, with all subsequent interest payments to be due on the same day of each month after that.

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the U. S. Prime Rate as published in the Money Rates section of the Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 5.000% per annum. Interest on the unpaid principal balance of this loan will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 3.000 percentage points over the Index, resulting in an initial rate of 8.000%. NOTICE: Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this loan is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year (365 for all years, including leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this loan is computed using this method.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

COUNTERPARTS. This document may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same document.

CHANGE IN TERMS - GUARANTOR ACKNOWLEDGEMENT. An acknowledgment titled "Change in Terms - Guarantor Acknowledgement" is attached to this Agreement and by this reference is made a part of this Agreement just as if all the provisions, terms and conditions of the acknowledgment had been fully set forth in this Agreement.

**CHANGE IN TERMS AGREEMENT
(Continued)**


Loan No: 52246

Page 2

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:


ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 
Gina Champlon-Cain, Manager of ANI License Fund,
LLC, a California limited liability company

By: 
Kim H. Peterson, Manager of ANI License Fund,
LLC, a California limited liability company

LENDER:

CALPRIVATE BANK

x 
Authorized Signer

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**CHANGE IN TERMS AGREEMENT
(Continued)**

Loan No: 52246

Page 2

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: Gina Champion-Cain, Manager of ANI License Fund,
LLC, a California limited liability company

By: Kim H. Peterson, Manager of ANI License Fund,
LLC, a California limited liability company

LENDER:

CALPRIVATE BANK

X Authorized Signer

CHANGE IN TERMS - GUARANTOR ACKNOWLEDGMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	06-10-2019	52246			EAC	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: CalPrivate Bank
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

This Acknowledgment is attached to and by this reference is made a part of the Change in Terms Agreement, dated June 27, 2018 and executed in connection with a loan or other financial accommodations between CALPRIVATE BANK and ANI License Fund, LLC, a California limited liability company and Guarantors signing below.

Guarantors have reviewed the Change in Terms Agreement dated June 27, 2018 (the "Agreement") and hereby consent to its execution by Borrower. Guarantors acknowledge and agree that: (a) The execution of the Agreement shall not impair, limit, abrogate or reduce in any manner or to any extent the obligations of Guarantors under the Guaranty; and (b) Lender would not enter into the Agreement without the execution and delivery of this consent. Guarantors acknowledge and agree that, notwithstanding the execution of the Agreement: (a) Guarantors remain liable under and pursuant to the Guaranty to the fullest extent as if the original provisions of the Related Documents were as reflected in the Related Documents as modified by the Agreement; (b) Each provision of the Guaranty remains unaffected and unchanged and in full force and effect, and (c) Guarantors hereby renew, reaffirm, ratify and confirm the Guaranty.

This document may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same document.

GUARANTOR:

ANI DEVELOPMENT, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 

Gina Champion-Cain, Managing Member of ANI Development, LLC, a California limited liability company

X

Kim H. Peterson, Individually

PETERSON FAMILY TRUST DATED 4/14/92

By: 

Kim H. Peterson, Trustee of Peterson Family Trust dated 4/14/92

X

Gina Champion-Cain, Individually

THE GINA CHAMPION-CAIN REVOCABLE TRUST AGREEMENT DATED JUNE 26, 2012 AND AMENDED MARCH 23, 2015

By:  Trustee

Gina Champion-Cain, Trustee of The Gina Champion-Cain Revocable Trust Agreement dated June 26, 2012 and amended March 23, 2015

CHANGE IN TERMS - GUARANTOR ACKNOWLEDGMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	06-10-2019	52246			EAC	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: CalPrivate Bank
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

This Acknowledgment is attached to and by this reference is made a part of the Change in Terms Agreement, dated June 27, 2018 and executed in connection with a loan or other financial accommodations between CALPRIVATE BANK and ANI License Fund, LLC, a California limited liability company and Guarantors signing below.

Guarantors have reviewed the Change in Terms Agreement dated June 27, 2018 (the "Agreement") and hereby consent to its execution by Borrower. Guarantors acknowledge and agree that: (a) The execution of the Agreement shall not impair, limit, abrogate or reduce in any manner or to any extent the obligations of Guarantors under the Guaranty; and (b) Lender would not enter into the Agreement without the execution and delivery of this consent. Guarantors acknowledge and agree that, notwithstanding the execution of the Agreement: (a) Guarantors remain liable under and pursuant to the Guaranty to the fullest extent as if the original provisions of the Related Documents were as reflected in the Related Documents as modified by the Agreement; (b) Each provision of the Guaranty remains unaffected and unchanged and in full force and effect, and (c) Guarantors hereby renew, reaffirm, ratify and confirm the Guaranty.

This document may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same document.


GUARANTOR:

ANI DEVELOPMENT, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: Gina Champion-Cain, Managing Member of ANI Development, LLC, a California limited liability company

X 
Kim H. Peterson, individually

PETERSON FAMILY TRUST DATED 4/14/92

By: 
Kim H. Peterson, Trustee of Peterson Family Trust dated 4/14/92

X 
Gina Champion-Cain, individually

THE GINA CHAMPION-CAIN REVOCABLE TRUST AGREEMENT DATED JUNE 26, 2012 AND AMENDED MARCH 23, 2015

By: Gina Champion-Cain, Trustee of The Gina Champion-Cain Revocable Trust Agreement dated June 26, 2012 and amended March 23, 2015

ATTACHMENT 6

CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Cal / Col	Account	Officer	Initials
\$12,500,000.00	09-09-2015	06-10-2020	52246	61 / 39		EAC	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: CalPrivate Bank
SDL-San Diego Lending
9404 Genesee Avenue, Suite 100
La Jolla, CA 92037

Principal Amount: \$12,500,000.00

Date of Agreement: June 21, 2019

DESCRIPTION OF EXISTING INDEBTEDNESS.

Promissory Note dated September 9, 2015 in the original Principal Amount of \$5,000,000.00 as modified by Change in Terms Agreement dated June 20, 2016 in the amount of \$7,500,000.00 and Change in Terms Agreements dated April 4, 2017, March 6, 2018 and June 27, 2018 in the Principal Amount of \$12,500,000.00, together with all renewals, extensions and modifications related thereto (the "Note").

DESCRIPTION OF COLLATERAL.

Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264001 (ANI License Fund, LLC) and Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264485 (ANI Development, LLC).

DESCRIPTION OF CHANGE IN TERMS.

Effective June 10, 2019, the Note is hereby modified as follows:

The date on which all outstanding principal is due and payable together with any accrued but unpaid interest (the "Maturity Date") is hereby extended from June 10, 2019 to June 10, 2020.

Interest method will change from 365/365 to 365/360, which will result in a change in monthly payment.

All other terms and conditions remain the same.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on June 10, 2020. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning July 10, 2019, with all subsequent interest payments to be due on the same day of each month after that.

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the U. S. Prime Rate as published in the Money Rates section of the Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 5.500% per annum. Interest on the unpaid principal balance of this loan will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 3.000 percentage points over the Index, resulting in an initial rate of 8.500%. NOTICE: Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this loan is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this loan is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in the loan documents.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

COUNTERPARTS. This document may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same document.

CHANGE IN TERMS - GUARANTOR ACKNOWLEDGEMENT. An acknowledgment titled "Change in Terms - Guarantor Acknowledgement" is attached to this Agreement and by this reference is made a part of this Agreement just as if all the provisions, terms and conditions of the acknowledgment had been fully set forth in this Agreement.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: Gina Champlon-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By: Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	06-10-2020	52246	51 / 38		EAC	<i>[Signature]</i>
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: CalPrivate Bank
SDL-San Diego Lending
9404 Genesee Avenue, Suite 100
La Jolla, CA 92037

Principal Amount: \$12,500,000.00

Date of Agreement: June 21, 2019

DESCRIPTION OF EXISTING INDEBTEDNESS.

Promissory Note dated September 9, 2015 in the original Principal Amount of \$5,000,000.00 as modified by Change In Terms Agreement dated June 20, 2016 in the amount of \$7,500,000.00 and Change In Terms Agreements dated April 4, 2017, March 6, 2018 and June 27, 2018 in the Principal Amount of \$12,500,000.00, together with all renewals, extensions and modifications related thereto (the "Note").

DESCRIPTION OF COLLATERAL.

Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264001 (ANI License Fund, LLC) and Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264485 (ANI Development, LLC).

DESCRIPTION OF CHANGE IN TERMS.

Effective June 10, 2019, the Note is hereby modified as follows:

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Interest method will change from 365/365 to 365/360, which will result in a change in monthly payment.

All other terms and conditions remain the same.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on June 10, 2020. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning July 10, 2019, with all subsequent interest payments to be due on the same day of each month after that.

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the U. S. Prime Rate as published in the Money Rates section of the Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 5.500% per annum. Interest on the unpaid principal balance of this loan will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 3.000 percentage points over the Index, resulting in an initial rate of 8.500%. NOTICE: Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

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CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

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BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: *[Signature]*
Gina Champlon-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By: *[Signature]*
Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

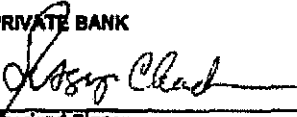
**CHANGE IN TERMS AGREEMENT
(Continued)**

Loan No: 52246

Page 2


LENDER:

CALPRIVATE BANK

x 
Authorized Signer

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CHANGE IN TERMS - GUARANTOR ACKNOWLEDGMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	06-10-2020	52246	51 / 39		EAC	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: CalPrivate Bank
SDL-San Diego Lending
9404 Genesee Avenue, Suite 100
La Jolla, CA 92037

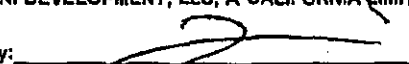
This Acknowledgment is attached to and by this reference is made a part of the Change in Terms Agreement, dated June 21, 2019 and executed in connection with a loan or other financial accommodations between CALPRIVATE BANK and ANI License Fund, LLC, a California limited liability company and Guarantors signing below.

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GUARANTOR:

ANI DEVELOPMENT, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 
Gina Champion-Cain, Managing Member of ANI Development, LLC, a California limited liability company

X
Kim H. Peterson, Individually


PETERSON FAMILY TRUST DATED 4/14/92

By: 
Kim H. Peterson, Trustee of Peterson Family Trust dated 4/14/92

X

Gina Champion-Cain, Individually

THE GINA CHAMPION-CAIN REVOCABLE TRUST AGREEMENT DATED JUNE 26, 2012 AND AMENDED MARCH 23, 2015

By: 
Gina Champion-Cain, Trustee of The Gina Champion-Cain Revocable Trust Agreement dated June 26, 2012 and amended March 23, 2015

CHANGE IN TERMS - GUARANTOR ACKNOWLEDGMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	06-10-2020	52246	51739		EAC	KV
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: CalPrivate Bank
SDL-San Diego Lending
9404 Genesee Avenue, Suite 100
La Jolla, CA 92037

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This document may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same document.

GUARANTOR:

ANI DEVELOPMENT, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: Gina Champion-Cain, Managing Member of ANI Development, LLC, a California limited liability company

X Kim H. Peterson, Individual

PETERSON FAMILY TRUST DATED 4/14/92

By: Kim H. Peterson, Trustee of Peterson Family Trust dated 4/14/92


X Gina Champion-Cain, Individually

THE GINA CHAMPION-CAIN REVOCABLE TRUST AGREEMENT DATED JUNE 26, 2012 AND AMENDED MARCH 23, 2015

By: Gina Champion-Cain, Trustee of The Gina Champion-Cain Revocable Trust Agreement dated June 26, 2012 and amended March 23, 2015

ATTACHMENT 7

COMMERCIAL SECURITY AGREEMENT

Principal	Loan Date	Maturity	Loan No.	Call / Coll	Account	Officer	Initials
\$5,000,000.00	09-09-2015	03-10-2017	52246			PA	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Grantor: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

THIS COMMERCIAL SECURITY AGREEMENT dated September 9, 2015, is made and executed between ANI License Fund, LLC, a California limited liability company ("Grantor") and SAN DIEGO PRIVATE BANK ("Lender").

GRANT OF SECURITY INTEREST. For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

COLLATERAL DESCRIPTION. The word "Collateral" as used in this Agreement means the following described property, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located, in which Grantor is giving to Lender a security interest for the payment of the indebtedness and performance of all other obligations under the Note and this Agreement:

All present and future right, title and interest of Debtor/Grantor in and to, without limitation, all: personal and fixture property of every kind and nature including without limitation all goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts (including health care insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter of credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to the payment of money, insurance claims and proceeds, tort claims, and all general intangibles including, without limitation, all payment intangibles, patents, patent applications, trademarks, trademark applications, trade names, copyrights, copyright applications, software, engineering drawings, service marks, customer lists, goodwill, and all licenses, permits, agreements of any kind or nature pursuant to which the Debtor possesses, uses or has authority to possess or use property (whether tangible or intangible) of others or others possess, use or have authority to possess or use property (whether tangible or intangible) of the Debtor, and all recorded data of any kind or nature, regardless of the medium of recording including, without limitation, all software, writings, plans, specifications and schematics. With respect to any term used herein that is defined in either (i) Article 9 of the Uniform Commercial Code as in force in the jurisdiction in which this security agreement was signed by the Debtor at the time that it was signed, or (ii) Article 9 as in force at any relevant time in the jurisdiction in which the financing statement is filed, the meaning to be ascribed thereto with respect to any particular item of property shall be that under the more encompassing of the two definitions

In addition, the word "Collateral" also includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

- (A) All accessions, attachments, accessories, replacements of and additions to any of the collateral described herein, whether added now or later.
- (B) All products and produce of any of the property described in this Collateral section.
- (C) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, consignment or other disposition of any of the property described in this Collateral section.
- (D) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process.
- (E) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Grantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Grantor holds jointly with someone else and all accounts Grantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Grantor authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts.

GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL. With respect to the Collateral, Grantor represents and promises to Lender that:

Perfection of Security Interest. Grantor agrees to take whatever actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper and instruments if not delivered to Lender for possession by Lender. This is a continuing Security Agreement and will continue in effect even though all or any part of the indebtedness is paid in full and even though for a period of time Grantor may not be indebted to Lender.

Notices to Lender. Grantor will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name; (2) change in Grantor's assumed business name(s); (3) change in the management or in the members or managers of the limited liability company Grantor; (4) change in the authorized signer(s); (5) change in Grantor's principal office address; (6) change in Grantor's state of organization; (7) conversion of Grantor to a new or different type of business entity; or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender. No change in Grantor's name or state of organization will take effect until after Lender has received notice.

No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its membership agreement does not prohibit any term or condition of this Agreement.

Enforceability of Collateral. To the extent the Collateral consists of accounts, chattel paper, or general intangibles, as defined by the Uniform Commercial Code, the Collateral is enforceable in accordance with its terms, is genuine, and fully complies with all applicable laws

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

Loan No: 52246

Page 2

and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. There shall be no setoffs or counterclaims against any of the Collateral, and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Collateral except those disclosed to Lender in writing.

Location of the Collateral. Except in the ordinary course of Grantor's business, Grantor agrees to keep the Collateral at Grantor's address shown above or at such other locations as are acceptable to Lender. Upon Lender's request, Grantor will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the following: (1) all real property Grantor owns or is purchasing; (2) all real property Grantor is renting or leasing; (3) all storage facilities Grantor owns, rents, leases, or uses; and (4) all other properties where Collateral is or may be located.

Removal of the Collateral. Except in the ordinary course of Grantor's business, Grantor shall not remove the Collateral from its existing location without Lender's prior written consent. Grantor shall, whenever requested, advise Lender of the exact location of the Collateral.

Transactions Involving Collateral. Except for inventory sold or accounts collected in the ordinary course of Grantor's business, or as otherwise provided for in this Agreement, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

Title. Grantor represents and warrants to Lender that Grantor holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

Repairs and Maintenance. Grantor agrees to keep and maintain, and to cause others to keep and maintain, the Collateral in good order, repair and condition at all times while this Agreement remains in effect. Grantor further agrees to pay when due all claims for work done on, or services rendered or material furnished in connection with the Collateral so that no lien or encumbrance may ever attach to or be filed against the Collateral.

Inspection of Collateral. Lender and Lender's designated representatives and agents shall have the right at all reasonable times to examine and inspect the Collateral wherever located.

Taxes, Assessments and Liens. Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the indebtedness, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings. Grantor further agrees to furnish Lender with evidence that such taxes, assessments, and governmental and other charges have been paid in full and in a timely manner. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized.

Compliance with Governmental Requirements. Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral, including all laws or regulations relating to the undue erosion of highly-erodible land or relating to the conversion of wetlands for the production of an agricultural product or commodity. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

Hazardous Substances. Grantor represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used in violation of any Environmental Laws or for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any Hazardous Substance. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Collateral for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any Environmental Laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify and defend shall survive the payment of the indebtedness and the satisfaction of this Agreement.

Maintenance of Casualty Insurance. Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such a notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest, Grantor will provide Lender with such loss payable or other endorsements as Lender may require. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if Lender so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

Application of Insurance Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Collateral, whether or not such casualty or loss is covered by insurance. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the indebtedness.

**COMMERCIAL SECURITY AGREEMENT
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Insurance Reserves. Lender may require Grantor to maintain with Lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit and shall constitute a non-interest-bearing account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

Insurance Reports. Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured; (5) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (6) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

Financing Statements. Grantor authorizes Lender to file a UCC financing statement, or alternatively, a copy of this Agreement to perfect Lender's security interest. At Lender's request, Grantor additionally agrees to sign all other documents that are necessary to perfect, protect, and continue Lender's security interest in the Property. Grantor will pay all filing fees, title transfer fees, and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs. Grantor irrevocably appoints Lender to execute documents necessary to transfer title if there is a default. Lender may file a copy of this Agreement as a financing statement.

GRANTOR'S RIGHT TO POSSESSION. Until default, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the indebtedness.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Agreement or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Collateral and paying all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Default in Favor of Third Parties. Any guarantor or Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of any guarantor's or Grantor's property or ability to perform their respective obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The dissolution of Grantor (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Grantor's existence as a going business or the death of any member, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any collateral securing the indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or Guarantor dies or becomes incompetent or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the indebtedness is impaired.

Cure Provisions. If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Agreement within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Grantor demanding cure of such default: (1) cures the default within ten (10) days; or (2) if the cure requires more than ten (10) days,

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immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the California Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

Accelerate Indebtedness. Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice of any kind to Grantor.

Assemble Collateral. Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

Sell the Collateral. Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in Lender's own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor, and other persons as required by law, reasonable notice of the time and place of any public sale, or the time after which any private sale or any other disposition of the Collateral is to be made. However, no notice need be provided to any person who, after Event of Default occurs, enters into and authenticates an agreement waiving that person's right to notification of sale. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Collateral, with the power to protect and preserve the Collateral, to operate the Collateral preceding foreclosure or sale, and to collect the rents from the Collateral and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Collateral exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Collect Revenues, Apply Accounts. Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in Lender's discretion transfer any Collateral into Lender's own name or that of Lender's nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not Indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

Obtain Deficiency. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Grantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

Other Rights and Remedies. Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

Election of Remedies. Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement, the Related Documents, or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Grantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of California.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of San Diego County, State of California.

Preference Payments. Any monies Lender pays because of an asserted preference claim in Grantor's bankruptcy will become a part of the Indebtedness and, at Lender's option, shall be payable by Grantor as provided in this Agreement.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to

**COMMERCIAL SECURITY AGREEMENT
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demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

Power of Attorney. Grantor hereby appoints Lender as Grantor's irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect, amend, or to continue the security interest granted in this Agreement or to demand termination of filings of other secured parties. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral.

Waiver of Co-Obligor's Rights. If more than one person is obligated for the Indebtedness, Grantor irrevocably waives, disclaims and relinquishes all claims against such other person which Grantor has or would otherwise have by virtue of payment of the Indebtedness or any part thereof, specifically including but not limited to all rights of indemnity, contribution or exoneration.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Successors and Assigns. Subject to any limitations stated in this Agreement on transfer of Grantor's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Agreement and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Agreement or liability under the Indebtedness.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Agreement shall survive the execution and delivery of this Agreement, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

Agreement. The word "Agreement" means this Commercial Security Agreement, as this Commercial Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Commercial Security Agreement from time to time.

Borrower. The word "Borrower" means ANI License Fund, LLC, a California limited liability company and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all of Grantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

Default. The word "Default" means the Default set forth in this Agreement in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., Chapters 6.5 through 7.7 of Division 20 of the California Health and Safety Code, Section 25100, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

Grantor. The word "Grantor" means ANI License Fund, LLC, a California limited liability company.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means SAN DIEGO PRIVATE BANK, its successors and assigns.

Note. The word "Note" means the Note dated September 9, 2015 and executed by ANI License Fund, LLC, a California limited liability

**COMMERCIAL SECURITY AGREEMENT
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company in the principal amount of \$5,000,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Collateral Description" section of this Agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

GRANTOR HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED SEPTEMBER 9, 2015.

GRANTOR:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 

Gina Champlon-Cain, Manager of ANI License Fund,
LLC, a California limited liability company

By: 

Kim H. Peterson, Manager of ANI License Fund,
LLC, a California limited liability company

ATTACHMENT 8

COMMERCIAL SECURITY AGREEMENT

Principal	Loan Date	Maturity	Loan No.	Call / Coll	Account	Officer	Initials
\$5,000,000.00	09-09-2015	03-10-2017	52246			PA	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "****" has been omitted due to text length limitations.

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

Grantor: ANI Development, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

THIS COMMERCIAL SECURITY AGREEMENT dated September 9, 2015, is made and executed among ANI Development, LLC, a California limited liability company ("Grantor"); ANI License Fund, LLC, a California limited liability company ("Borrower"); and SAN DIEGO PRIVATE BANK ("Lender").

GRANT OF SECURITY INTEREST. For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

COLLATERAL DESCRIPTION. The word "Collateral" as used in this Agreement means the following described property, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located, in which Grantor is giving to Lender a security interest for the payment of the indebtedness and performance of all other obligations under the Note and this Agreement:

All present and future right, title and interest of Debtor/Grantor in and to, without limitation, all: personal and fixture property of every kind and nature including without limitation all goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts (including health care insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter of credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to the payment of money, insurance claims and proceeds, tort claims, and all general intangibles including, without limitation, all payment intangibles, patents, patent applications, trademarks, trademark applications, trade names, copyrights, copyright applications, software, engineering drawings, service marks, customer lists, goodwill, and all licenses, permits, agreements of any kind or nature pursuant to which the Debtor possesses, uses or has authority to possess or use property (whether tangible or intangible) of others or others possess, use or have authority to possess or use property (whether tangible or intangible) of the Debtor, and all recorded data of any kind or nature, regardless of the medium of recording including, without limitation, all software, writings, plans, specifications and schematics. With respect to any term used herein that is defined in either (i) Article 9 of the Uniform Commercial Code as in force in the jurisdiction in which this security agreement was signed by the Debtor at the time that it was signed, or (ii) Article 9 as in force at any relevant time in the jurisdiction in which the financing statement is filed, the meaning to be ascribed thereto with respect to any particular item of property shall be that under the more encompassing of the two definitions

In addition, the word "Collateral" also includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

- (A) All accessions, attachments, accessories, replacements of and additions to any of the collateral described herein, whether added now or later.
- (B) All products and produce of any of the property described in this Collateral section.
- (C) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, consignment or other disposition of any of the property described in this Collateral section.
- (D) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process.
- (E) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

BORROWER'S WAIVERS AND RESPONSIBILITIES. Except as otherwise required under this Agreement or by applicable law, (A) Borrower agrees that Lender need not tell Borrower about any action or inaction Lender takes in connection with this Agreement; (B) Borrower assumes the responsibility for being and keeping informed about the Collateral; and (C) Borrower waives any defenses that may arise because of any action or inaction of Lender, including without limitation any failure of Lender to realize upon the Collateral or any delay by Lender in realizing upon the Collateral; and Borrower agrees to remain liable under the Note no matter what action Lender takes or fails to take under this Agreement.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that: (A) this Agreement is executed at Borrower's request and not at the request of Lender; (B) Grantor has the full right, power and authority to enter into this Agreement and to pledge the Collateral to Lender; (C) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (D) Lender has made no representation to Grantor about Borrower or Borrower's creditworthiness.

GRANTOR'S WAIVERS. Except as prohibited by applicable law, Grantor waives any right to require Lender to (A) make any presentment, protest, demand, or notice of any kind, including notice of change of any terms of repayment of the indebtedness, default by Borrower or any other guarantor or surety, any action or nonaction taken by Borrower, Lender, or any other guarantor or surety of Borrower, or the creation of new or additional indebtedness; (B) proceed against any person, including Borrower, before proceeding against Grantor; (C) proceed against any collateral for the indebtedness, including Borrower's collateral, before proceeding against Grantor; (D) apply any payments or proceeds received against the indebtedness in any order; (E) give notice of the terms, time, and place of any sale of any collateral pursuant to the Uniform Commercial Code or any other law governing such sale; (F) disclose any information about the indebtedness, the Borrower, any collateral, or any other guarantor or surety, or about any action or nonaction of Lender; or (G) pursue any remedy or course of action in

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Lender's power whatsoever.

Grantor also waives any and all rights or defenses arising by reason of (A) any disability or other defense of Borrower, any other guarantor or surety or any other person; (B) the cessation from any cause whatsoever, other than payment in full, of the Indebtedness; (C) the application of proceeds of the Indebtedness by Borrower for purposes other than the purposes understood and intended by Grantor and Lender; (D) any act of omission or commission by Lender which directly or indirectly results in or contributes to the discharge of Borrower or any other guarantor or surety, or the Indebtedness, or the loss or release of any collateral by operation of law or otherwise; (E) any statute of limitations in any action under this Agreement or on the Indebtedness; or (F) any modification or change in terms of the Indebtedness, whatsoever, including without limitation, the renewal, extension, acceleration, or other change in the time payment of the Indebtedness is due and any change in the interest rate.

Grantor waives all rights and defenses arising out of an election of remedies by Lender even though that election of remedies, such as a non-judicial foreclosure with respect to security for a guaranteed obligation, has destroyed Grantor's rights of subrogation and reimbursement against Borrower by operation of Section 580d of the California Code of Civil Procedure or otherwise.

Grantor waives all rights and defenses that Grantor may have because Borrower's obligation is secured by real property. This means among other things: (1) Lender may collect from Grantor without first foreclosing on any real property collateral pledged by Borrower; and (2) If Lender forecloses on any real property collateral pledged by the Borrower: (A) The amount of the Borrower's obligation may be reduced only by the price for which the collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price; (B) The Lender may collect from the Grantor even if the Lender, by foreclosing on the real property collateral, has destroyed any right the Grantor may have to collect from the borrower. This is an unconditional and irrevocable waiver of any rights and defenses the Grantor may have because the Borrower's obligation is secured by real property. These rights and defenses include, but are not limited to, any rights and defenses based upon Sections 580a, 580b, 580d, or 726 of the Code of Civil Procedure.

Grantor understands and agrees that the foregoing waivers are unconditional and irrevocable waivers of substantive rights and defenses to which Grantor might otherwise be entitled under state and federal law. The rights and defenses waived include, without limitation, those provided by California laws of suretyship and guaranty, anti-deficiency laws, and the Uniform Commercial Code. Grantor further understands and agrees that this Agreement is a separate and independent contract between Grantor and Lender, given for full and ample consideration, and is enforceable on its own terms. Grantor acknowledges that Grantor has provided these waivers of rights and defenses with the intention that they be fully relied upon by Lender. Until all Indebtedness is paid in full, Grantor waives any right to enforce any remedy Grantor may have against Borrower or any other guarantor, surety, or other person, and further, Grantor waives any right to participate in any collateral for the Indebtedness now or hereafter held by Lender.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Grantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Grantor holds jointly with someone else and all accounts Grantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Grantor authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the Indebtedness against any and all such accounts.

GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL. With respect to the Collateral, Grantor represents and promises to Lender that:

Perfection of Security Interest. Grantor agrees to take whatever actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper and instruments if not delivered to Lender for possession by Lender. This is a continuing Security Agreement and will continue in effect even though all or any part of the Indebtedness is paid in full and even though for a period of time Borrower may not be indebted to Lender.

Notices to Lender. Grantor will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name; (2) change in Grantor's assumed business name(s); (3) change in the management or in the members or managers of the limited liability company Grantor; (4) change in the authorized signer(s); (5) change in Grantor's principal office address; (6) change in Grantor's state of organization; (7) conversion of Grantor to a new or different type of business entity; or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender. No change in Grantor's name or state of organization will take effect until after Lender has received notice.

No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its membership agreement does not prohibit any term or condition of this Agreement.

Enforceability of Collateral. To the extent the Collateral consists of accounts, chattel paper, or general intangibles, as defined by the Uniform Commercial Code, the Collateral is enforceable in accordance with its terms, is genuine, and fully complies with all applicable laws and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. There shall be no setoffs or counterclaims against any of the Collateral, and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Collateral except those disclosed to Lender in writing.

Location of the Collateral. Except in the ordinary course of Grantor's business, Grantor agrees to keep the Collateral at Grantor's address shown above or at such other locations as are acceptable to Lender. Upon Lender's request, Grantor will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the following: (1) all real property Grantor owns or is purchasing; (2) all real property Grantor is renting or leasing; (3) all storage facilities Grantor owns, rents, leases, or uses; and (4) all other properties where Collateral is or may be located.

Removal of the Collateral. Except in the ordinary course of Grantor's business, Grantor shall not remove the Collateral from its existing location without Lender's prior written consent. Grantor shall, whenever requested, advise Lender of the exact location of the Collateral.

Transactions Involving Collateral. Except for inventory sold or accounts collected in the ordinary course of Grantor's business, or as otherwise provided for in this Agreement, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

Title. Grantor represents and warrants to Lender that Grantor holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public

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office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

Repairs and Maintenance. Grantor agrees to keep and maintain, and to cause others to keep and maintain, the Collateral in good order, repair and condition at all times while this Agreement remains in effect. Grantor further agrees to pay when due all claims for work done on, or services rendered or material furnished in connection with the Collateral so that no lien or encumbrance may ever attach to or be filed against the Collateral.

Inspection of Collateral. Lender and Lender's designated representatives and agents shall have the right at all reasonable times to examine and inspect the Collateral wherever located.

Taxes, Assessments and Liens. Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the indebtedness, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings. Grantor further agrees to furnish Lender with evidence that such taxes, assessments, and governmental and other charges have been paid in full and in a timely manner. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized.

Compliance with Governmental Requirements. Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral, including all laws or regulations relating to the undue erosion of highly-erodible land or relating to the conversion of wetlands for the production of an agricultural product or commodity. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

Hazardous Substances. Grantor represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used in violation of any Environmental Laws or for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any Hazardous Substance. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Collateral for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any Environmental Laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify and defend shall survive the payment of the indebtedness and the satisfaction of this Agreement.

Maintenance of Casualty Insurance. Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such a notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest, Grantor will provide Lender with such loss payable or other endorsements as Lender may require. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if Lender so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

Application of Insurance Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Collateral, whether or not such casualty or loss is covered by insurance. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the indebtedness.

Insurance Reserves. Lender may require Grantor to maintain with Lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit and shall constitute a non-interest-bearing account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

Insurance Reports. Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured; (5) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (6) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

Financing Statements. Grantor authorizes Lender to file a UCC financing statement, or alternatively, a copy of this Agreement to perfect Lender's security interest. At Lender's request, Grantor additionally agrees to sign all other documents that are necessary to perfect, protect, and continue Lender's security interest in the Property. Grantor will pay all filing fees, title transfer fees, and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs. Grantor irrevocably appoints Lender to execute documents necessary to transfer title if there is a default. Lender may file a copy of this Agreement as a financing statement.

GRANTOR'S RIGHT TO POSSESSION. Until default, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to

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possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the Indebtedness.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Agreement or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Collateral and paying all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Payment Default. Borrower fails to make any payment when due under the Indebtedness.

Other Defaults. Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower or Grantor.

Default in Favor of Third Parties. Borrower, any guarantor or Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's, any guarantor's or Grantor's property or ability to perform their respective obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or Grantor or on Borrower's or Grantor's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The dissolution of Grantor (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Borrower's or Grantor's existence as a going business or the death of any member, the insolvency of Borrower or Grantor, the appointment of a receiver for any part of Borrower's or Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or Grantor or by any governmental agency against any collateral securing the Indebtedness. This includes a garnishment of any of Borrower's or Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower or Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower or Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or Guarantor dies or becomes incompetent or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Borrower's or Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Cure Provisions. If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Agreement within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within ten (10) days; or (2) if the cure requires more than ten (10) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the California Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

Accelerate Indebtedness. Lender may declare the entire Indebtedness, including any prepayment penalty which Borrower would be required to pay, immediately due and payable, without notice of any kind to Borrower or Grantor.

Assemble Collateral. Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

Sell the Collateral. Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in Lender's own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor, and other persons as required by law, reasonable notice of the time and place of any public sale, or the time after which any private sale or any other disposition of the Collateral is to be made. However, no notice need be provided to any person who, after Event of Default occurs, enters into and authenticates an agreement waiving that person's right to notification of sale. The requirements of reasonable notice shall be met if such notice is given at

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least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Collateral, with the power to protect and preserve the Collateral, to operate the Collateral preceding foreclosure or sale, and to collect the rents from the Collateral and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Collateral exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Collect Revenues, Apply Accounts. Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in Lender's discretion transfer any Collateral into Lender's own name or that of Lender's nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not Indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

Obtain Deficiency. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Borrower for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Borrower shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

Other Rights and Remedies. Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

Election of Remedies. Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement, the Related Documents, or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Grantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of California.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of San Diego County, State of California.

Joint and Several Liability. All obligations of Borrower and Grantor under this Agreement shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Borrower and Grantor signing below is responsible for all obligations in this Agreement. Where any one or more of the parties is a corporation, partnership, limited liability company or similar entity, it is not necessary for Lender to inquire into the powers of any of the officers, directors, partners, members, or other agents acting or purporting to act on the entity's behalf, and any obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Agreement.

Preference Payments. Any monies Lender pays because of an asserted preference claim in Borrower's or Grantor's bankruptcy will become a part of the Indebtedness and, at Lender's option, shall be payable by Borrower and Grantor as provided in this Agreement.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

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Power of Attorney. Grantor hereby appoints Lender as Grantor's irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect, amend, or to continue the security interest granted in this Agreement or to demand termination of filings of other secured parties. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral.

Waiver of Co-Obligor's Rights. If more than one person is obligated for the Indebtedness, Grantor irrevocably waives, disclaims and relinquishes all claims against such other person which Grantor has or would otherwise have by virtue of payment of the Indebtedness or any part thereof, specifically including but not limited to all rights of indemnity, contribution or exoneration.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Successors and Assigns. Subject to any limitations stated in this Agreement on transfer of Grantor's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Agreement and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Agreement or liability under the Indebtedness.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Agreement shall survive the execution and delivery of this Agreement, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's Indebtedness shall be paid in full.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

Agreement. The word "Agreement" means this Commercial Security Agreement, as this Commercial Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Commercial Security Agreement from time to time.

Borrower. The word "Borrower" means ANI License Fund, LLC, a California limited liability company and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all of Grantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

Default. The word "Default" means the Default set forth in this Agreement in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., Chapters 6.5 through 7.7 of Division 20 of the California Health and Safety Code, Section 25100, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

Grantor. The word "Grantor" means ANI Development, LLC, a California limited liability company.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means SAN DIEGO PRIVATE BANK, its successors and assigns.

Note. The word "Note" means the Note dated September 9, 2015 and executed by ANI License Fund, LLC, a California limited liability company in the principal amount of \$5,000,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Collateral Description" section of this Agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

BORROWER AND GRANTOR HAVE READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT AND AGREE TO ITS TERMS. THIS AGREEMENT IS DATED SEPTEMBER 9, 2015.


**COMMERCIAL SECURITY AGREEMENT
(Continued)**

Loan No: 52246

Page 7

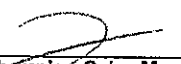
GRANTOR:

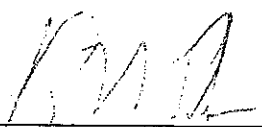
ANI DEVELOPMENT, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 
Gina Champion-Cain, Managing Member of ANI
Development, LLC, a California limited liability
company

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 
Gina Champion-Cain, Manager of ANI License Fund,
LLC, a California limited liability company

By: 
Kim H. Peterson, Manager of ANI License Fund,
LLC, a California limited liability company

LexipPro, Ver. 14.5.10.004 Copr. D+H USA Corporation 1997, 2016. All Rights Reserved. - CA KSHARLANDICRPLUE40.FC TR-2016 PR-1

ATTACHMENT 9

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) DEBORAH L. KEENEY 858-875-6911
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address) San Diego Private Bank 9404 Genesee Avenue, Suite 100 La Jolla, CA 92037 USA

DOCUMENT NUMBER: 50916540002

FILING NUMBER: 15-7484264001

FILING DATE: 09/10/2015 10:00

IMAGE GENERATED ELECTRONICALLY FOR WEB FILING
THE ABOVE SPACE IS FOR CA FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

OR	1a. ORGANIZATION'S NAME ANI License Fund, LLC	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
	1b. INDIVIDUAL'S SURNAME				
1c. MAILING ADDRESS 3515 Hancock Street, Suite 200		CITY San Diego	STATE CA	POSTAL CODE 92110	COUNTRY USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

OR	2a. ORGANIZATION'S NAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
	2b. INDIVIDUAL'S SURNAME				
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE or ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

OR	3a. ORGANIZATION'S NAME San Diego Private Bank	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
	3b. INDIVIDUAL'S SURNAME				
3c. MAILING ADDRESS 550 West C Street, Suite 110		CITY San Diego	STATE CA	POSTAL CODE 92101	COUNTRY USA

4. COLLATERAL: This financing statement covers the following collateral:
All present and future right, title and interest of Debtor/Grantor in and to, without limitation, all: personal and fixture property of every kind and nature including without limitation all goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts (including health care insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter of credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to the payment of money, insurance claims and proceeds, tort claims, and all general intangibles including, without limitation, all payment intangibles, patents, patent applications, trademarks, trademark applications, trade names, copyrights, copyright applications, software, engineering drawings, service marks, customer lists, goodwill, and all licenses, permits, agreements of any kind or nature pursuant to which the Debtor possesses, uses or has authority to possess or use property (whether tangible or intangible) of others or

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:

☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

FILING OFFICE COPY

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because individual Debtor name did not fit, check here <input type="checkbox"/>	
OR	9a. ORGANIZATION'S NAME ANI License Fund, LLC
	9b. INDIVIDUAL'S SURNAME
	FIRST PERSONAL NAME
ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

DOCUMENT NUMBER: 50916540002

IMAGE GENERATED ELECTRONICALLY FOR WEB FILING
THE ABOVE SPACE IS FOR CA FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only <u>one</u> additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c					
OR	10a. ORGANIZATION'S NAME				
	10b. INDIVIDUAL'S SURNAME				
	INDIVIDUAL'S FIRST PERSONAL NAME				
	INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)				
				SUFFIX	
10c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

11. <input type="checkbox"/> ADDITIONAL SECURED PARTY'S NAME or <input type="checkbox"/> ASSIGNOR SECURED PARTY'S NAME: Provide only <u>one</u> name (11a or 11b)					
OR	11a. ORGANIZATION'S NAME				
	11b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (collateral):
 others possess, use or have authority to possess or use property (whether tangible or intangible) of the Debtor, and all recorded data of any kind or nature, regardless of the medium of recording including, without limitation, all software, writings, plans, specifications and schematics. With respect to any term used herein that is defined in either (i) Article 9 of the Uniform Commercial Code as in force in the jurisdiction in which this security agreement was signed by the Debtor at the time that it was signed, or (ii) Article 9 as in force at any relevant time in the jurisdiction in which the financing statement is filed, the meaning to be ascribed thereto with respect to any particular item of property shall be that under the more encompassing of the two definitions

13. <input type="checkbox"/> This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)	14. This FINANCING STATEMENT: <input type="checkbox"/> covers timber to be cut <input type="checkbox"/> covers as-extracted collateral <input type="checkbox"/> is filed as a fixture filing.
15. Name and address of RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):	16. Description of real estate:

17. MISCELLANEOUS:

FILING OFFICE COPY

ATTACHMENT 10

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) DEBORAH L. KEENEY 858-875-6911	
B. E-MAIL CONTACT AT FILER (optional) 	
C. SEND ACKNOWLEDGMENT TO: (Name and Address) San Diego Private Bank 9404 Genesee Avenue, Suite 100 La Jolla, CA 92037 USA	

DOCUMENT NUMBER: 50916540003
FILING NUMBER: 15-7484264485
FILING DATE: 09/10/2015 10:07

IMAGE GENERATED ELECTRONICALLY FOR WEB FILING
THE ABOVE SPACE IS FOR CA FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

OR	1a. ORGANIZATION'S NAME ANI Development, LLC				
	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
1c. MAILING ADDRESS 3515 Hancock Street, Suite 200		CITY San Diego	STATE CA	POSTAL CODE 92110	COUNTRY USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

OR	2a. ORGANIZATION'S NAME				
	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

OR	3a. ORGANIZATION'S NAME San Diego Private Bank				
	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
3c. MAILING ADDRESS 550 West C Street, Suite 110		CITY San Diego	STATE CA	POSTAL CODE 92110	COUNTRY USA

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 All present and future right, title and interest of Debtor/Grantor in and to, without limitation, all: personal and fixture property of every kind and nature including without limitation all goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts (including health care insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter of credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to the payment of money, insurance claims and proceeds, tort claims, and all general intangibles including, without limitation, all payment intangibles, patents, patent applications, trademarks, trademark applications, trade names, copyrights, copyright applications, software, engineering drawings, service marks, customer lists, goodwill, and all licenses, permits, agreements of any kind or nature pursuant to which the Debtor possesses, uses or has authority to possess or use property (whether tangible or intangible) of others or

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box: ☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box: ☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

FILING OFFICE COPY

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because individual Debtor name did not fit, check here <input type="checkbox"/>	
OR	9a. ORGANIZATION'S NAME ANI Development, LLC
	9b. INDIVIDUAL'S SURNAME
	FIRST PERSONAL NAME
	ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

DOCUMENT NUMBER: 50916540003

IMAGE GENERATED ELECTRONICALLY FOR WEB FILING
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10. DEBTOR'S NAME: Provide (10a or 10b) only <u>one</u> additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c				
OR	10a. ORGANIZATION'S NAME			
	10b. INDIVIDUAL'S SURNAME			
	INDIVIDUAL'S FIRST PERSONAL NAME			
	INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) SUFFIX			
10c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY

11. <input type="checkbox"/> ADDITIONAL SECURED PARTY'S NAME <u>or</u> <input type="checkbox"/> ASSIGNOR SECURED PARTY'S NAME: Provide only <u>one</u> name (11a or 11b)				
OR	11a. ORGANIZATION'S NAME			
	11b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (collateral):

others possess, use or have authority to possess or use property (whether tangible or intangible) of the Debtor, and all recorded data of any kind or nature, regardless of the medium of recording including, without limitation, all software, writings, plans, specifications and schematics. With respect to any term used herein that is defined in either (i) Article 9 of the Uniform Commercial Code as in force in the jurisdiction in which this security agreement was signed by the Debtor at the time that it was signed, or (ii) Article 9 as in force at any relevant time in the jurisdiction in which the financing statement is filed, the meaning to be ascribed thereto with respect to any particular item of property shall be that under the more encompassing of the two definitions

13. <input type="checkbox"/> This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)	14. This FINANCING STATEMENT: <input type="checkbox"/> covers timber to be cut <input type="checkbox"/> covers as-extracted collateral <input type="checkbox"/> is filed as a fixture filing.
15. Name and address of RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):	16. Description of real estate:

17. MISCELLANEOUS:

FILING OFFICE COPY

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
CASE NO. 3:19-cv-01628-LAB-AHG

INVESTOR PROOF OF CLAIM FORM

SECURITIES AND EXCHANGE COMMISSION

vs.

GINA CHAMPION-CAIN; ANI DEVELOPMENT, LLC;
DEFENDANTS

and

AMERICAN NATIONAL INVESTMENTS, INC.;
RELIEF DEFENDANT

THIS SPACE RESERVED FOR ADMINISTRATIVE
USE ONLY

PLEASE READ THE ACCOMPANYING LETTER INSTRUCTIONS BEFORE COMPLETING
THIS FORM, IT MUST BE RETURNED ON OR BEFORE **DECEMBER 31, 2021**

As reflected in Section 3 below, the Receiver has calculated the Net Loss Amount, the net amount of actual payments you made to and received from the Receivership Entities or others in connection with the scheme.

If the investor name and amounts listed in Section 3 below are consistent with your records, you do not need to provide any documents or further information; you need to simply complete and sign this Proof of Claim Form, complete and sign the enclosed W9 Form, and return both forms to: E3 Advisors, Attn: ANI Claims Process Administrator, 501 West Broadway, Suite 290, San Diego, CA 92101.

If your records are not consistent with the investor name or amounts listed in Section 3 below, you will need to provide further documentation, as described on the last page of this document. Please keep in mind that pursuant to the Court's order, an allowed claim shall not include claims for interest, late fees, contract or other damages, contingent or liquidated damages, or legal fees incurred.

The Receiver will review each Proof of Claim Form, attempt to resolve any questions or disputes directly with the claimant, and will ultimately make a recommendation to the Court to allow or disallow part or all of the claim. Claimants will receive notice and an opportunity to respond if the Receiver disagrees with the amount stated on their claim. For claims that are allowed, distributions will be made pursuant to a Court-approved distribution plan. The amount distributed will depend on the total amount of allowed claims, the total assets available for distribution, and the terms of the distribution plan.

Submission of a claim does not guarantee the claims will be allowed or any payment will be made. The claim must be allowed by the United States District Court for the Southern District of California ("Court").

ADDRESS OF CLAIMANT:

☒ Check this box **ONLY** if your current address or contact information has changed and, if so, please print your updated address and/or contact information here:

Updated Address: 9404 Genesee Ave., Ste. 100

La Jolla, CA 92037

Telephone No. of Claimant: 424-303-4894

Email Address of Claimant: rsowers@calprivate.bank

 **COPY**

() Check this box **ONLY** if you have an alternative contact for your investments. If so, please include all contact details here (you must also attach a Power of Attorney, Death Certificate, Trust Beneficiary, or other legal documentation, as applicable, which legally authorizes contact with such individual or entity):

Alternative Contact Name:

Alternative Contact Address:

Telephone No. of Alternative Contact:

Email Address of Alternative Contact:

Please complete the following:

1. Was your investment/loan made from an IRA account? **YES / NO**

If YES, please print the IRA Custodian name, address and phone number as well as your account number here:

Custodian Name and Address:

.....

Telephone No. of Custodian:

Email Address of Custodian:

Account Number:

2. Name as it should appear on distribution check (if YES on Item 1. above, be certain to clarify if such payment is to be made payable to and sent directly to the IRA Custodian or to you individually):

Payee: CalPrivate Bank

Payment Address (only IF different than address on file):

Payment Address: 9404 Genesee Ave., Ste. 100

La Jolla, CA 92037

If the information above is not consistent with your records (investor name or amounts), you will need to provide corrected information in the same format as Section 3 above (attach additional sheets if necessary) and supporting documentation, further discussed below.

3. **Supporting Documents:** **DO NOT SEND** copies of supporting documents if you agree with the information listed in Section 3 above. However, if you dispute the investor name or amounts listed in Section 3 above, **DO SEND COPIES ONLY** of all documents which support your corrected investment information along with your completed and signed Proof of Claim and W9 Forms to: E3 Advisors, Attn: ANI Claims Process Administrator, 501 West Broadway, Suite 290, San Diego, CA 92101. Examples of supporting documentation include bank statements, canceled checks, wire transfer documents, contracts, email messages, or other written correspondence. If the Receiver has questions or needs further information, her office will contact you.

4. **Date Stamped Copy:** To receive an acknowledgement of the filing of your Proof of Claim Form, please enclose a stamped, self-addressed envelope and an additional copy of this Proof of Claim Form.

5. **Signature:** Sign and print the name and title, if any, of the claimant or other person authorized to file this claim (attach copy of power of attorney, death certificate, trust beneficiary, or other documents as needed). **YOU MUST PROVIDE AN ORIGINAL SIGNATURE.**

PLEASE NOTE that we cannot provide you with tax or legal advice relating to your claim. If you have concerns about the tax or legal implications of your claim, please contact an attorney or your tax advisor.

By Signing My/Our Name Below, I/We Acknowledge and Affirm that: I/we will supplement this Proof of Claim Form if any information given later becomes inaccurate or incomplete; I/we am/are a creditor of the Receivership Entities; I/we hereby affirm that the answers provided herein are truthful; and that I/we understand that this Proof of Form is submitted under penalty of perjury.

Date: 12-16, 2021

Signature:  Name: Karen L. Lister

Title (if any) Executive Vice President & CAO

Signature: _____ Name: _____

Title (if any) _____

Signature: _____ Name: _____

Title (if any) _____

NET LOSS CALCULATION(S):

According to the records of the Receivership Entities, it appears, you have made the following investments in and received the following payments from the Receivership Entities or others in connection with the scheme (to include payments to you made from Chicago Title):

DETAILED CHART ON FOLLOWING PAGE(s)

The money in-money out activity is accurate but the loss amount is incorrect. CalPrivate Bank has a first-priority perfected security interest in the assets of Defendant ANI Development, LLC, a Receivership Entity. Please see the attached Statement of Information and supporting documents.

Unique Identifier	E3 Description	Date	Amount
63	Cal Private Bank	9/10/2015	575,000.00
63	Cal Private Bank	9/10/2015	3,175,000.00
63	Cal Private Bank	10/9/2015	1,249,970.00
63	Cal Private Bank	10/13/2015	(19,263.84)
63	Cal Private Bank	11/10/2015	(26,755.14)
63	Cal Private Bank	12/10/2015	(25,684.93)
63	Cal Private Bank	1/11/2016	(27,363.01)
63	Cal Private Bank	2/10/2016	(27,505.43)
63	Cal Private Bank	3/10/2016	(25,751.36)
63	Cal Private Bank	4/11/2016	(27,527.32)
63	Cal Private Bank	4/29/2016	(350,000.00)
63	Cal Private Bank	5/2/2016	(175,000.00)
63	Cal Private Bank	5/4/2016	175,000.00
63	Cal Private Bank	5/4/2016	350,000.00
63	Cal Private Bank	5/9/2016	(75,000.00)
63	Cal Private Bank	5/10/2016	(26,639.34)
63	Cal Private Bank	5/11/2016	75,000.00
63	Cal Private Bank	5/17/2016	(250,000.00)
63	Cal Private Bank	5/18/2016	250,000.00
63	Cal Private Bank	5/24/2016	(250,000.00)
63	Cal Private Bank	5/26/2016	250,000.00
63	Cal Private Bank	5/31/2016	(325,000.00)
63	Cal Private Bank	6/2/2016	325,000.00
63	Cal Private Bank	6/7/2016	(425,000.00)
63	Cal Private Bank	6/8/2016	425,000.00
63	Cal Private Bank	6/9/2016	(150,000.00)
63	Cal Private Bank	6/10/2016	(300,000.00)
63	Cal Private Bank	6/10/2016	(26,994.54)
63	Cal Private Bank	6/10/2016	150,000.00
63	Cal Private Bank	6/13/2016	300,000.00
63	Cal Private Bank	6/15/2016	(175,000.00)
63	Cal Private Bank	6/16/2016	(175,000.00)
63	Cal Private Bank	6/20/2016	350,000.00
63	Cal Private Bank	6/21/2016	(175,000.00)
63	Cal Private Bank	6/22/2016	(400,000.00)
63	Cal Private Bank	6/22/2016	175,000.00
63	Cal Private Bank	6/22/2016	2,500,000.00
63	Cal Private Bank	6/23/2016	400,000.00
63	Cal Private Bank	6/27/2016	(375,000.00)
63	Cal Private Bank	6/28/2016	375,000.00
63	Cal Private Bank	6/29/2016	(425,000.00)
63	Cal Private Bank	7/1/2016	425,000.00
63	Cal Private Bank	7/6/2016	(450,000.00)
63	Cal Private Bank	7/7/2016	(250,000.00)
63	Cal Private Bank	7/7/2016	450,000.00

Unique Identifier	E3 Description	Date	Amount
63	Cal Private Bank	7/8/2016	250,000.00
63	Cal Private Bank	7/11/2016	(33,871.33)
63	Cal Private Bank	7/12/2016	(275,000.00)
63	Cal Private Bank	7/13/2016	275,000.00
63	Cal Private Bank	8/10/2016	(40,900.27)
63	Cal Private Bank	9/12/2016	(41,290.98)
63	Cal Private Bank	9/13/2016	(75,000.00)
63	Cal Private Bank	9/14/2016	75,000.00
63	Cal Private Bank	10/11/2016	(39,945.70)
63	Cal Private Bank	10/18/2016	(100,000.00)
63	Cal Private Bank	10/18/2016	100,000.00
63	Cal Private Bank	11/10/2016	(41,290.98)
63	Cal Private Bank	12/12/2016	(39,959.02)
63	Cal Private Bank	1/10/2017	(42,622.95)
63	Cal Private Bank	1/17/2017	(125,000.00)
63	Cal Private Bank	1/20/2017	125,000.00
63	Cal Private Bank	2/8/2017	(75,000.00)
63	Cal Private Bank	2/10/2017	(42,961.33)
63	Cal Private Bank	3/1/2017	75,000.00
63	Cal Private Bank	4/5/2017	(89,894.34)
63	Cal Private Bank	4/7/2017	4,920,000.00
63	Cal Private Bank	4/10/2017	(44,075.35)
63	Cal Private Bank	4/25/2017	(150,000.00)
63	Cal Private Bank	5/1/2017	(125,000.00)
63	Cal Private Bank	5/1/2017	150,000.00
63	Cal Private Bank	5/9/2017	(125,000.00)
63	Cal Private Bank	5/10/2017	125,000.00
63	Cal Private Bank	5/10/2017	(74,288.22)
63	Cal Private Bank	5/10/2017	125,000.00
63	Cal Private Bank	5/22/2017	(175,000.00)
63	Cal Private Bank	5/24/2017	175,000.00
63	Cal Private Bank	6/1/2017	(250,000.00)
63	Cal Private Bank	6/5/2017	250,000.00
63	Cal Private Bank	6/12/2017	(73,575.75)
63	Cal Private Bank	6/26/2017	(250,000.00)
63	Cal Private Bank	6/29/2017	250,000.00
63	Cal Private Bank	7/6/2017	(350,000.00)
63	Cal Private Bank	7/10/2017	(73,392.47)
63	Cal Private Bank	7/12/2017	350,000.00
63	Cal Private Bank	8/2/2017	(550,000.00)
63	Cal Private Bank	8/4/2017	550,000.00
63	Cal Private Bank	8/10/2017	(75,910.48)
63	Cal Private Bank	8/15/2017	(200,000.00)
63	Cal Private Bank	8/18/2017	200,000.00
63	Cal Private Bank	8/30/2017	(125,000.00)

Unique Identifier	E3 Description	Date	Amount
63	Cal Private Bank	9/7/2017	(350,000.00)
63	Cal Private Bank	9/11/2017	(76,138.90)
63	Cal Private Bank	9/11/2017	535,000.00
63	Cal Private Bank	9/25/2017	(125,000.00)
63	Cal Private Bank	9/29/2017	125,000.00
63	Cal Private Bank	10/10/2017	(250,000.00)
63	Cal Private Bank	10/10/2017	(73,406.74)
63	Cal Private Bank	10/23/2017	250,000.00
63	Cal Private Bank	10/25/2017	(425,000.00)
63	Cal Private Bank	11/3/2017	445,000.00
63	Cal Private Bank	11/10/2017	(75,122.92)
63	Cal Private Bank	11/13/2017	(325,000.00)
63	Cal Private Bank	11/15/2017	(400,000.00)
63	Cal Private Bank	11/17/2017	325,000.00
63	Cal Private Bank	11/20/2017	175,000.00
63	Cal Private Bank	11/20/2017	225,000.00
63	Cal Private Bank	11/21/2017	(150,000.00)
63	Cal Private Bank	11/28/2017	(175,000.00)
63	Cal Private Bank	11/28/2017	(175,000.00)
63	Cal Private Bank	11/28/2017	150,000.00
63	Cal Private Bank	11/30/2017	175,000.00
63	Cal Private Bank	12/5/2017	(725,000.00)
63	Cal Private Bank	12/11/2017	(73,883.46)
63	Cal Private Bank	12/12/2017	900,000.00
63	Cal Private Bank	12/20/2017	(350,000.00)
63	Cal Private Bank	12/29/2017	350,000.00
63	Cal Private Bank	1/10/2018	(76,478.25)
63	Cal Private Bank	1/25/2018	(850,000.00)
63	Cal Private Bank	1/29/2018	850,000.00
63	Cal Private Bank	1/31/2018	375,000.00
63	Cal Private Bank	2/12/2018	(77,691.78)
63	Cal Private Bank	3/7/2018	(2,575,000.00)
63	Cal Private Bank	3/7/2018	(72,426.37)
63	Cal Private Bank	3/15/2018	2,575,000.00
63	Cal Private Bank	4/9/2018	(375,000.00)
63	Cal Private Bank	4/9/2018	(78,518.84)
63	Cal Private Bank	4/12/2018	375,000.00
63	Cal Private Bank	5/2/2018	(845,000.00)
63	Cal Private Bank	5/7/2018	825,000.00
63	Cal Private Bank	5/10/2018	(79,384.41)
63	Cal Private Bank	6/8/2018	(81,235.93)
63	Cal Private Bank	6/22/2018	(749,990.00)
63	Cal Private Bank	6/22/2018	149,990.00
63	Cal Private Bank	6/28/2018	600,000.00
63	Cal Private Bank	7/11/2018	(80,929.31)

Unique Identifier	E3 Description	Date	Amount
63	Cal Private Bank	7/25/2018	(725,000.00)
63	Cal Private Bank	7/31/2018	725,000.00
63	Cal Private Bank	8/10/2018	(82,253.16)
63	Cal Private Bank	9/10/2018	(86,384.65)
63	Cal Private Bank	9/14/2018	(1,200,000.00)
63	Cal Private Bank	9/18/2018	1,200,000.00
63	Cal Private Bank	10/9/2018	(1,050,000.00)
63	Cal Private Bank	10/10/2018	(81,008.22)
63	Cal Private Bank	10/11/2018	1,050,000.00
63	Cal Private Bank	11/13/2018	(88,082.05)
63	Cal Private Bank	12/3/2018	(50,000.00)
63	Cal Private Bank	12/4/2018	50,000.00
63	Cal Private Bank	12/10/2018	(1,687,490.00)
63	Cal Private Bank	12/10/2018	(84,624.66)
63	Cal Private Bank	12/10/2018	337,490.00
63	Cal Private Bank	12/13/2018	1,350,000.00
63	Cal Private Bank	1/10/2019	(88,194.46)
63	Cal Private Bank	1/29/2019	(474,990.00)
63	Cal Private Bank	1/29/2019	94,990.00
63	Cal Private Bank	2/8/2019	(318,490.00)
63	Cal Private Bank	2/8/2019	43,490.00
63	Cal Private Bank	2/11/2019	(90,095.34)
63	Cal Private Bank	2/11/2019	275,000.00
63	Cal Private Bank	2/28/2019	(3,187,490.00)
63	Cal Private Bank	2/28/2019	962,490.00
63	Cal Private Bank	3/1/2019	(325,000.00)
63	Cal Private Bank	3/4/2019	2,225,000.00
63	Cal Private Bank	3/11/2019	(80,963.09)
63	Cal Private Bank	3/19/2019	(57,490.00)
63	Cal Private Bank	3/19/2019	7,490.00
63	Cal Private Bank	3/22/2019	375,000.00
63	Cal Private Bank	4/2/2019	(749,990.00)
63	Cal Private Bank	4/2/2019	149,990.00
63	Cal Private Bank	4/3/2019	600,000.00
63	Cal Private Bank	4/10/2019	(86,286.64)
63	Cal Private Bank	4/26/2019	(937,490.00)
63	Cal Private Bank	4/26/2019	187,490.00
63	Cal Private Bank	4/30/2019	750,000.00
63	Cal Private Bank	5/10/2019	(87,014.39)
63	Cal Private Bank	6/18/2019	(775,000.00)
63	Cal Private Bank	6/18/2019	(3,062,490.00)
63	Cal Private Bank	6/18/2019	(91,643.87)
63	Cal Private Bank	6/18/2019	1,387,490.00
63	Cal Private Bank	6/25/2019	2,450,000.00
63	Cal Private Bank	7/10/2019	(84,347.68)

Unique Identifier	E3 Description	Date	Amount
63	Cal Private Bank	8/12/2019	(91,310.07)
	Total Money In Pre-Receivership		43,595,880.00
	Total Money Out Pre-Receivership		(34,075,799.87)
	Total Money Out - CTC Settlement		-
	Net Loss/(Gain)		<u>9,520,080.13</u>
	Prior Recovery Rate (Total Money Out/Total Money In)		78.16%

ATTACHMENT

CALPRIVATE BANK

PROOF OF CLAIM

Securities and Exchange Commission v. Gina Champion-Cain
Creditor Claim/Statement of Information

CALPRIVATE BANK

CalPrivate Bank provides the following information for its claim of a first-priority perfected security interest in the assets of Defendant ANI Development, LLC, now held by the Receiver, and the assets of non-party ANI License Fund, LLC.

Claim Amount:

\$12,475,000.00, plus interest, charges and attorneys' fees.

Documents Supporting Claim (attached):

1. Business Loan Agreement (9/9/15); Principal Amount (\$5,000,000).
2. Change in Terms Agreement (6/20/16); Principal Amount (\$7,500,000).
3. Change in Terms Agreement (4/4/17); Principal Amount (\$12,500,000).
4. Change in Terms Agreement (3/6/18); Principal Amount (\$12,500,000).
5. Change in Terms Agreement (6/27/18); Principal Amount (\$12,500,000).
6. Change in Terms Agreement (6/21/19); Principal Amount (\$12,500,000).
7. Commercial Security Agreement (9/9/15); Grantor, ANI License Fund, LLC.
8. Commercial Security Agreement (9/9/15); Grantor, ANI Development, LLC.
9. UCC Financing Statement (9/10/15); Debtor, ANI License Fund, LLC.
10. UCC Financing Statement (9/10/15); Debtor, ANI Development, LLC.

Basis for Claim:

CalPrivate Bank entered the Business Loan Agreement ("Loan") with ANI License Fund, LLC ("ANI License"), as Borrower under the loan documents. The Loan was increased from the original amount of \$5,000,000 to \$12,500,000 and the maturity date was extended through June 19, 2020, by the series of Change in Terms Agreements. The Loan was secured by two Commercial Security Agreements, one with ANI License as the Grantor and the other with ANI Development, LLC ("ANI Development") as the Grantor. The Security Agreements were perfected by the filing of two UCC Financing Statements, one with ANI License as the Debtor and the other with ANI Development as the Debtor.

Receiver has acknowledged the enforceability of security agreements perfected by financing statements against Receivership assets in at least two other instances. In the sale of personal property and a leasehold interest owned by receivership entity 2163 Abbott Street, LP, and associated with the Ocean Beach Surf Rider Restaurant, Receiver recognized the UCC security interest held by Jacmar Foodservice Distribution. (Dkt. Nos. 462, 489 & 666.) Again, in the sale of personal property and a leasehold interest owned by 2163 Abbott Street, LP, and associated with the former Mission Beach Surfrider Restaurant, Receiver recognized the UCC security interest held by First Choice Bank as security for its loan. (Dkt. Nos. 408, 478, 488, 531 & 665.)

Collateral for the Loan is broadly defined in the Commercial Security Agreements and the UCC Financing Statements to mean the following property, whether owned or existing at the time or thereafter acquired:

All present and future right, title and interest of Debtor/Grantor in and to, without limitation, all: personal fixture property of every kind and nature including without limitation all goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts (including health care insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter of credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to the payment of money, insurance claims and proceeds, tort claims, and all general intangibles including, without limitation, all payment intangibles, patents, patent applications, trademarks, trademark applications, trade names, copyrights, copyright applications, software, engineering drawings, service marks, customer lists, goodwill, and all licenses, permits agreements, of any kind or nature pursuant to which the Debtor possesses, uses or has authority to possess or use property (whether tangible or intangible) of others or others possess, use or have authority to possess or use property (whether tangible or intangible) of the Debtor, and all recorded data of any kind or nature, regardless of the medium of recording including, without limitation, all software, writings, plans specifications and schematics. With respect to any term used herein that is defined in either (i) Article 9 of the Uniform Commercial Code as in force in the jurisdiction in which this security agreement was signed by the Debtor at the time that it was signed, or (ii) Article 9 as in force at any relevant time in the jurisdiction in which the financing statement is filed, the meaning to be ascribed thereto with respect to any particular item of property shall be that under the more encompassing of the two definitions.

Chicago Title Escrow Bank Account:

Among the Receivership assets subject to the CalPrivate's first priority security interest in ANI Development's assets is a Chicago Title escrow bank account of \$11 million. Shortly after the Receivership was established, a dispute arose between the Receiver and Chicago Title about custody of the account. District Judge Larry Burns referred the matter to Magistrate Judge Allison Goddard who issued a report and recommendation that Chicago Title was obligated to turn over the funds to the Receiver. (Dkt. No. 54.) Judge Burns adopted the recommendation. (Dkt. No. 127.)

As part of the proceedings, CalPrivate filed a response that it did not object to the turnover on the condition that the funds remain subject to its security interest. (Dkt. No. 31.) The Receiver disputed that CalPrivate has a perfected security interest in what her counsel labeled a "deposit account" because it did not retain control, an issue which counsel conceded has not been adjudicated. (Dkt. No. 45.) Thereafter, when the Receiver filed several motions for authority to sell receivership property, CalPrivate again responded that it did not oppose the sales subject to its reservation of rights

concerning its priority security interest in the sales proceeds. (See, e.g., Dkt. No. 204.) Judge Goddard, in her order concerning the sales, clarified that CalPrivate's claim of a security interest was not waived by the Court's approval of any sale of receivership assets. (Dkt. No. 226.)

CalPrivate's claim of a first-priority perfected security interest is now ripe for adjudication. The security interest applies to all ANI Development's assets, which are collateral for the Loan, including funds from Chicago Title's \$11 million escrow bank account. The Receiver took ANI Development's assets subject to existing liens and security interests. CalPrivate's security interest attached to the escrow bank account because it was not a deposit account. It was an escrow bank account, not a "demand, time, savings, passbook or similar account maintained by a bank." (UCC 9102(29).)

Even assuming it was a "deposit account," CalPrivate would have been Chicago Title's customer with respect to the account because the money wires to and from the account identified the liquor license escrows that CalPrivate was funding. (UCC 9104(a)(3).) "A secured party [CalPrivate] that has satisfied subdivision (a) has control, even if the debtor [ANI Development] retains the right to direct disposition of the funds from the deposit account. (UCC 9104(b).)

CalPrivate's First Priority Security Interest in Other Assets:

CalPrivate has a security interest in all ANI Development's property as defined in the Commercial Security Agreements. It appears most of the funds that ANI Development received from CalPrivate were invested in single asset entities that purchased property with acquisition loans. Significant funds have been generated from the sale of those properties after pay-off of the loans. ANI Development also had separate bank accounts and owned personal property that would be subject to CalPrivate's security interest.

ATTACHMENT 1

BUSINESS LOAN AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$5,000,000.00	09-09-2015	03-10-2017	52246				

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

THIS BUSINESS LOAN AGREEMENT dated September 9, 2015, is made and executed between ANI License Fund, LLC, a California limited liability company ("Borrower") and SAN DIEGO PRIVATE BANK ("Lender") on the following terms and conditions. Borrower has applied to Lender for a commercial loan or loans ("Loan or Loans") or other financial accommodations. Borrower understands and agrees that: (A) in granting, renewing, or extending any Loan, Lender is relying upon Borrower's representations, warranties, and agreements as set forth in this Agreement; (B) the granting, renewing, or extending of any Loan by Lender at all times shall be subject to Lender's sole judgment and discretion; and (C) all such Loans shall be and remain subject to the terms and conditions of this Agreement.

TERM. This Agreement shall be effective as of September 9, 2015, and shall continue in full force and effect until such time as all of Borrower's Loans in favor of Lender have been paid in full, including principal, interest, costs, expenses, attorneys' fees, and other fees and charges, or until such time as the parties may agree in writing to terminate this Agreement.

BORROWER'S BUSINESS. Loan proceeds and Advances will be solely for funding the Escrow Accounts of persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by the ABC.

LOAN ADVANCES. Borrower may request an Advance by submitting to Lender a completed Loan Request in the form attached as Exhibit A at least three (3) days prior to the proposed funding. Each Advance shall be funded to Chicago Title Company pursuant to the form of Escrow Agreement attached hereto as Exhibit B. In the alternative, an Advance may be funded to a Borrower account with Lender to be funded to Chicago Title Company as provided in this Agreement. The date on which each Advance shall be repaid (the "Due Date") shall be three Business Days following the earliest of (1) the date License Applicant delivers to Escrow Holder the License Applicant's funds to replace the principal amount of the Advance, (2) the date the License Applicant's license transfer escrow is terminated because the ABC disapproved the License Applicant's transfer application, or (3) the date that is 240 days after the Loan Date for such Advance. Borrower shall pay to Lender for each Advance Lender's standard wire transfer fees.

CONDITIONS PRECEDENT TO EACH ADVANCE. Lender's obligation to make the initial Advance and each subsequent Advance under this Agreement shall be subject to the fulfillment to Lender's satisfaction of all of the conditions set forth in this Agreement and in the Related Documents.

Loan Documents. Borrower shall provide to Lender the following documents for the Loan: (1) the Note; (2) Security Agreements granting to Lender security interests in the Collateral; (3) financing statements and all other documents perfecting Lender's Security Interests; (4) evidence of insurance as required below; (5) guaranties; (6) together with all such Related Documents as Lender may require for the Loan; all in form and substance satisfactory to Lender and Lender's counsel.

Borrower's Authorization. Borrower shall have provided in form and substance satisfactory to Lender properly certified resolutions, duly authorizing the execution and delivery of this Agreement, the Note and the Related Documents. In addition, Borrower shall have provided such other resolutions, authorizations, documents and instruments as Lender or its counsel may require.

Payment of Fees and Expenses. Borrower shall have paid to Lender all fees, charges, and other expenses which are then due and payable as specified in this Agreement or any Related Document.

Representations and Warranties. The representations and warranties set forth in this Agreement, in the Related Documents, and in any document or certificate delivered to Lender under this Agreement are true and correct.

No Event of Default. There shall not exist at the time of any Advance a condition which would constitute an Event of Default under this Agreement or under any Related Document.

REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants to Lender, as of the date of this Agreement, as of the date of each disbursement of loan proceeds, as of the date of any renewal, extension or modification of any Loan, and at all times any indebtedness exists:

Organization. Borrower is a limited liability company which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California. Borrower is duly authorized to transact business in the State of California and all other states in which Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which Borrower is doing business. Specifically, Borrower is, and at all times shall be, duly qualified as a foreign limited liability company in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. Borrower maintains its principal office at 4439 Lamont Street, San Diego, CA 92109. Unless Borrower has designated otherwise in writing, the principal office is the office at which Borrower keeps its books and records including its records concerning the Collateral. Borrower will notify Lender prior to any change in the location of Borrower's state of organization or any change in Borrower's name. Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to Borrower and Borrower's business activities.

Assumed Business Names. Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by Borrower. Excluding the name of Borrower, the following is a complete list of all assumed business names under which Borrower does business: None.

Authorization. Borrower's execution, delivery, and performance of this Agreement and all the Related Documents have been duly authorized by all necessary action by Borrower and do not conflict with, result in a violation of, or constitute a default under (1) any provision of (a) Borrower's articles of organization or membership agreements, or (b) any agreement or other instrument binding upon Borrower or (2) any law, governmental regulation, court decree, or order applicable to Borrower or to Borrower's properties.

Financial Information. Each of Borrower's financial statements supplied to Lender truly and completely disclosed Borrower's financial condition as of the date of the statement, and there has been no material adverse change in Borrower's financial condition subsequent to the date of the most recent financial statement supplied to Lender. Borrower has no material contingent obligations except as disclosed in such financial statements.

Legal Effect. This Agreement constitutes, and any instrument or agreement Borrower is required to give under this Agreement when delivered will constitute legal, valid, and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms.

Properties. Except as contemplated by this Agreement or as previously disclosed in Borrower's financial statements or in writing to Lender and as accepted by Lender, and except for property tax liens for taxes not presently due and payable, Borrower owns and has good title to all of Borrower's properties free and clear of all Security Interests, and has not executed any security documents or financing statements relating to such properties. All of Borrower's properties are titled in Borrower's legal name, and Borrower has not used or filed a financing statement under any other name for at least the last five (5) years.

Litigation and Claims. No litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Borrower is pending or threatened, and no other event has occurred which may materially adversely affect Borrower's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by Lender in writing.

Taxes. To the best of Borrower's knowledge, all of Borrower's tax returns and reports that are or were required to be filed, have been filed, and all taxes, assessments and other governmental charges have been paid in full, except those presently being or to be contested by Borrower in good faith in the ordinary course of business and for which adequate reserves have been provided.

Lien Priority. Unless otherwise previously disclosed to Lender in writing, Borrower has not entered into or granted any Security Agreements, or permitted the filing or attachment of any Security Interests on or affecting any of the Collateral directly or indirectly securing repayment of Borrower's Loan and Note, that would be prior or that may in any way be superior to Lender's Security Interests and rights in and to such Collateral.

Binding Effect. This Agreement, the Note, all Security Agreements (if any), and all Related Documents are binding upon the signers thereof, as well as upon their successors, representatives and assigns, and are legally enforceable in accordance with their respective terms.

FINANCIAL STATEMENT CERTIFICATION. The undersigned hereby certifies to San Diego Private Bank ("Lender") that all financial information ("information") submitted to Lender now and at all times during the term of this loan does, and will, fairly and accurately represent the financial condition of the undersigned, all Borrowers, and Guarantors. Financial information includes, but is not limited to, all Business Financial Statements (including Interim and Year-End financial statements that are company prepared and/or CPA prepared), Business Income Tax Returns, Borrowing Base Certificates, Accounts Receivable and Accounts Payable agings, Personal Financial Statements, third party verification statements, and Personal Income Tax Returns. The undersigned understands that Lender will rely on all information, whenever provided, and that such information is a material inducement to Lender to make, to continue to make, or otherwise extend credit accommodations to the undersigned. The undersigned covenants and agrees to notify Lender of any adverse material changes in her/his/its financial condition in the future. The undersigned further understands and acknowledges that there are criminal penalties for giving false financial information to federal insured financial institutions.

AFFIRMATIVE COVENANTS. Borrower covenants and agrees with Lender that, so long as this Agreement remains in effect, Borrower will:

Notices of Claims and Litigation. Promptly inform Lender in writing of (1) all material adverse changes in Borrower's financial condition, and (2) all existing and all threatened litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower or any Guarantor which could materially affect the financial condition of Borrower or the financial condition of any Guarantor.

Financial Records. Maintain its books and records in accordance with GAAP, applied on a consistent basis, and permit Lender to examine and audit Borrower's books and records at all reasonable times.

Financial Statements. Furnish Lender with such financial statements and other related information at such frequencies and in such detail as Lender may reasonably request.

Additional Information. Furnish such additional information and statements, as Lender may request from time to time.

Guaranties. Prior to disbursement of any Loan proceeds, furnish executed unlimited guaranties of the Loans in favor of Lender, executed by the guarantors named below, on Lender's forms, and in the amounts and under the conditions set forth in those guaranties.

Names of Guarantors

Kim H. Peterson

Peterson Family Trust dated April 14,
1992

Gina Champion-Cain

The Gina Champion-Cain Revocable
Trust Agreement dated June 26, 2012

Other Agreements. Comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party and notify Lender immediately in writing of any default in connection with any other such agreements.

Loan Proceeds. Loan proceeds and Advances will be solely for funding the Escrow Accounts of persons or entities (each a "License Applicant")

seeking authorization from the ABC to acquire by transfer a license issued by the ABC.

Taxes, Charges and Liens. Pay and discharge when due all of its indebtedness and obligations, including without limitation all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon Borrower or its properties, income, or profits, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of Borrower's properties, income, or profits. Provided however, Borrower will not be required to pay and discharge any such assessment, tax, charge, levy, lien or claim so long as (1) the legality of the same shall be contested in good faith by appropriate proceedings, and (2) Borrower shall have established on Borrower's books adequate reserves with respect to such contested assessment, tax, charge, levy, lien, or claim in accordance with GAAP.

Performance. Perform and comply, in a timely manner, with all terms, conditions, and provisions set forth in this Agreement, in the Related Documents, and in all other instruments and agreements between Borrower and Lender. Borrower shall notify Lender immediately in writing of any default in connection with any agreement.

Compliance with Governmental Requirements. Comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the conduct of Borrower's properties, businesses and operations, and to the use or occupancy of the Collateral, including without limitation, the Americans With Disabilities Act. Borrower may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Borrower has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Collateral are not jeopardized. Lender may require Borrower to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Inspection. Permit employees or agents of Lender at any reasonable time to inspect any and all Collateral for the Loan or Loans and Borrower's other properties and to examine or audit Borrower's books, accounts, and records and to make copies and memoranda of Borrower's books, accounts, and records. If Borrower now or at any time hereafter maintains any records (including without limitation computer generated records and computer software programs for the generation of such records) in the possession of a third party, Borrower, upon request of Lender, shall notify such party to permit Lender free access to such records at all reasonable times and to provide Lender with copies of any records it may request, all at Borrower's expense.

Additional Assurances. Make, execute and deliver to Lender such promissory notes, mortgages, deeds of trust, security agreements, assignments, financing statements, instruments, documents and other agreements as Lender or its attorneys may reasonably request to evidence and secure the Loans and to perfect all Security Interests.

BORROWER'S FINANCIAL REQUIREMENTS.

ANNUAL STATEMENTS. As requested by Lender, Borrower shall provide to Lender, as soon as available, annually, a company prepared consolidated balance sheet and income statement for the preceding calendar year end, in form satisfactory to Lender. Statements may be due more often if requested by Lender.

TAX RETURNS. Borrower shall provide to Lender within 30 days of the required filed date, copies of Federal and other governmental tax returns for the preceding calendar year. If extensions are filed, copies of such extensions are to be provided immediately upon filing.

If requested by Lender, Borrower shall provide other items of financial nature as deemed necessary.

GUARANTOR'S FINANCIAL REQUIREMENTS.

PERSONAL FINANCIAL STATEMENTS. As requested by Lender, Borrower shall cause each Guarantor to provide to Lender a self prepared personal financial statement to include a schedule of real estate owned, in form satisfactory to Lender.

TAX RETURNS. Borrower shall cause Guarantor to provide to Lender within 30 days of the required filed date, copies of Federal and other governmental tax returns for the preceding calendar year. If extensions are filed, copies of such extensions are to be provided immediately upon filing.

If requested by Lender, Borrower shall cause Guarantor to provide other items of financial nature as deemed necessary.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Borrower fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Borrower's failure to discharge or pay when due any amounts Borrower is required to discharge or pay under this Agreement or any Related Documents, Lender on Borrower's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on any Collateral and paying all costs for insuring, maintaining and preserving any Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Borrower. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity.

NEGATIVE COVENANTS. Borrower covenants and agrees with Lender that while this Agreement is in effect, Borrower shall not, without the prior written consent of Lender:

Indebtedness and Liens. (1) Except for trade debt incurred in the normal course of business and indebtedness to Lender contemplated by this Agreement, create, incur or assume indebtedness for borrowed money, including capital leases, (2) sell, transfer, mortgage, assign, pledge, lease, grant a security interest in, or encumber any of Borrower's assets (except as allowed as Permitted Liens), or (3) sell with recourse any of Borrower's accounts, except to Lender.

Continuity of Operations. (1) Engage in any business activities substantially different than those in which Borrower is presently engaged, (2) cease operations, liquidate, merge, transfer, acquire or consolidate with any other entity, change its name, dissolve or transfer or sell Collateral out of the ordinary course of business, or (3) make any distribution with respect to any capital account, whether by reduction of capital or otherwise.

Loans, Acquisitions and Guaranties. (1) Loan, invest in or advance money or assets to any other person, enterprise or entity, (2) purchase, create or acquire any interest in any other enterprise or entity, or (3) incur any obligation as surety or guarantor other than in the ordinary course

of business.

Agreements. Enter into any agreement containing any provisions which would be violated or breached by the performance of Borrower's obligations under this Agreement or in connection herewith.

CESSATION OF ADVANCES. If Lender has made any commitment to make any Loan to Borrower, whether under this Agreement or under any other agreement, Lender shall have no obligation to make Loan Advances or to disburse Loan proceeds if: (A) Borrower or any Guarantor is in default under the terms of this Agreement or any of the Related Documents or any other agreement that Borrower or any Guarantor has with Lender; (B) Borrower or any Guarantor dies, becomes incompetent or becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged a bankrupt; (C) there occurs a material adverse change in Borrower's financial condition, in the financial condition of any Guarantor, or in the value of any Collateral securing any Loan; or (D) any Guarantor seeks, claims or otherwise attempts to limit, modify or revoke such Guarantor's guaranty of the Loan or any other loan with Lender.

DEFAULT. Each of the following shall constitute an event of default "Event of Default" under this Agreement:

Payment Default. Borrower fails to make any payment when due under the Loan.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or any Grantor's property or Borrower's or any Grantor's ability to repay the Loans or perform their respective obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Foreclosure Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the Loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or foreclosure proceeding and if Borrower gives Lender written notice of the creditor or foreclosure proceeding and deposits with Lender monies or a surety bond for the creditor or foreclosure proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the indebtedness.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Loan is impaired.

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If any default, other than a default on indebtedness, is curable and if Borrower or Grantor, as the case may be, has not been given a notice of a similar default within the preceding twelve (12) months, it may be cured if Borrower or Grantor, as the case may be, after Lender sends written notice to Borrower or Grantor, as the case may be, demanding cure of such default: (1) cure the default within ten (10) days; or (2) if the cure requires more than ten (10) days, immediately initiate steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continue and complete all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

INTEREST AFTER DEFAULT- FINANCIAL INFORMATION. If Borrower, Guarantor or any other party fails to provide financial statements, tax returns, operating statements, or other information required from Borrower, Guarantor or any other party as required under the Promissory Note, the Business Loan Agreement or any other agreement/document executed in connection with the loan, Lender shall at Lender's sole discretion, if permitted under applicable law, immediately increase the interest rate by adding an additional five (5.000) percentage point margin ("Default Rate Margin"). The Default Rate Margin shall also apply to each succeeding interest rate change that would have applied had there been no default.

EFFECT OF AN EVENT OF DEFAULT. If any Event of Default shall occur, except where otherwise provided in this Agreement or the Related Documents, all commitments and obligations of Lender under this Agreement or the Related Documents or any other agreement immediately will terminate (including any obligation to make further Loan Advances or disbursements), and, at Lender's option, all indebtedness immediately will become due and payable, all without notice of any kind to Borrower, except that in the case of an Event of Default of the type described in the "Insolvency" subsection above, such acceleration shall be automatic and not optional. In addition, Lender shall have all the rights and remedies provided in the Related Documents or available at law, in equity, or otherwise. Except as may be prohibited by applicable law, all of Lender's rights and remedies shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower or of any Grantor shall not affect Lender's right to declare a default and to exercise its rights and remedies.

AUDITS AND REVIEWS. Borrower authorizes Lender, or its agent, to conduct accounts receivable audits, financial audits, appraisals, inspections and audits at Borrower's place of business as Lender deems necessary. Borrower agrees to pay the cost of such audits and appraisals.

BANKING RELATIONSHIP. Borrower shall maintain its primary banking relationship with Lender. This means the majority of deposit accounts, balances and loans.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Borrower agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Consent to Loan Participation. Borrower agrees and consents to Lender's sale or transfer, whether now or later, of one or more participation interests in the Loan to one or more purchasers, whether related or unrelated to Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to the Loan, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interests in the Loan and will have all the rights granted under the participation agreement or agreements governing the sale of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participation interest and unconditionally agrees that either Lender or such purchaser may enforce Borrower's obligation under the Loan irrespective of the failure or insolvency of any holder of any interest in the Loan. Borrower further agrees that the purchaser of any such participation interests may enforce its interests irrespective of any personal claims or defenses that Borrower may have against Lender.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of California.

Choice of Venue. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of San Diego County, State of California.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Borrower, or between Lender and any Grantor, shall constitute a waiver of any of Lender's rights or of any of Borrower's or any Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address. Unless otherwise provided or required by law, if there is more than one Borrower, any notice given by Lender to any Borrower is deemed to be notice given to all Borrowers.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Subsidiaries and Affiliates of Borrower. To the extent the context of any provisions of this Agreement makes it appropriate, including without limitation any representation, warranty or covenant, the word "Borrower" as used in this Agreement shall include all of Borrower's subsidiaries and affiliates. Notwithstanding the foregoing however, under no circumstances shall this Agreement be construed to require Lender to make any Loan or other financial accommodation to any of Borrower's subsidiaries or affiliates.

Successors and Assigns. All covenants and agreements by or on behalf of Borrower contained in this Agreement or any Related Documents shall bind Borrower's successors and assigns and shall inure to the benefit of Lender and its successors and assigns. Borrower shall not, however, have the right to assign Borrower's rights under this Agreement or any interest therein, without the prior written consent of Lender.

Survival of Representations and Warranties. Borrower understands and agrees that in making the Loan, Lender is relying on all representations, warranties, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender under this Agreement or the Related Documents. Borrower further agrees that regardless of any investigation made by Lender, all such representations, warranties and covenants will survive the making of the Loan and delivery to Lender of the Related Documents, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's indebtedness shall be paid in full, or until this Agreement shall be terminated in the manner provided above, whichever is the last to occur.

Time Is of the Essence. Time is of the essence in the performance of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this

Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. Accounting words and terms not otherwise defined in this Agreement shall have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date of this Agreement:

Advance. The word "Advance" means a disbursement of Loan funds made, or to be made, to Borrower or on Borrower's behalf on a the revolving line of credit described in the Note under the terms and conditions of this Agreement.

Agreement. The word "Agreement" means this Business Loan Agreement, as this Business Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Business Loan Agreement from time to time.

Borrower. The word "Borrower" means ANI License Fund, LLC, a California limited liability company, and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all property and assets granted as collateral security for a Loan, whether real or personal property, whether granted directly or indirectly, whether granted now or in the future, and whether granted in the form of a security interest, mortgage, collateral mortgage, deed of trust, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien, charge, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement GAAP. The word "GAAP" means generally accepted accounting principles.

Grantor. The word "Grantor" means each and all of the persons or entities granting a Security Interest in any Collateral for the Loan, including without limitation all Borrowers granting such a Security Interest.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Loan.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means SAN DIEGO PRIVATE BANK, its successors and assigns.

License Applicant. The term "License Applicant" means those persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by the ABC

Loan. The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced, including without limitation those loans and financial accommodations described herein or described on any exhibit or schedule attached to this Agreement from time to time.

Note. The word "Note" means the Note dated September 8, 2015 and executed by ANI License Fund, LLC, a California limited liability company, in the original principal amount of \$5,000,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Permitted Liens. The words "Permitted Liens" mean (1) liens and security interests securing indebtedness owed by Borrower to Lender; (2) liens for taxes, assessments, or similar charges either not yet due or being contested in good faith; (3) liens of materialmen, mechanics, warehousemen, or carriers, or other like liens arising in the ordinary course of business and securing obligations which are not yet delinquent; (4) purchase money liens or purchase money security interests upon or in any property acquired or held by Borrower in the ordinary course of business to secure indebtedness outstanding on the date of this Agreement or permitted to be incurred under the paragraph of this Agreement titled "Indebtedness and Liens"; (5) liens and security interests which, as of the date of this Agreement, have been disclosed to and approved by the Lender in writing; and (6) those liens and security interests which in the aggregate constitute an immaterial and insignificant monetary amount with respect to the net value of Borrower's assets.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.

Security Agreement. The words "Security Agreement" mean and include without limitation any agreements, promises, covenants, arrangements, understandings or other agreements, whether created by law, contract, or otherwise, evidencing, governing, representing, or creating a Security Interest.


Security Interest. The words "Security Interest" mean, without limitation, any and all types of collateral security, present and future, whether in the form of a lien, charge, encumbrance, mortgage, deed of trust, security deed, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever whether created by law, contract, or otherwise.

BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS BUSINESS LOAN AGREEMENT AND BORROWER AGREES TO ITS TERMS. THIS BUSINESS LOAN AGREEMENT IS DATED SEPTEMBER 9, 2016.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 
Gina Champion-Cain, Manager of ANI License Fund,
LLC, a California limited liability company

By: 
Kim H. Peterson, Manager of ANI License Fund, LLC,
a California limited liability company

LENDER:

SAN DIEGO PRIVATE BANK


By: 
Authorized Signor

Exhibit A
LOAN REQUEST

To: San Diego Private Bank
9404 Genesee Avenue, Suite 100
La Jolla, California 92037

Attn: Betsy Chadwick

ANI License Fund, LLC ("Borrower"), hereby requests from San Diego Private Bank ("SDPB") an Advance in the amount of \$_____ on _____, 20____ (the "Loan Date") pursuant to the Business Loan Agreement between Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please wire funds to:

Bank:	Union Bank, Monterey Park, CA
Escrow Agent:	Chicago Title Company
ABA Number:	122000496
Account Number:	
Reference:	Escrow/Title Order No. 32743-DD
Escrow Office Name:	Della Ducharme Unit

Borrower represents that the conditions precedent to the Advance set forth in the Agreement are satisfied and shall be satisfied upon the making of such Advance, including but not limited to (i) that no event that has had or could reasonably be expected to have a material adverse effect has occurred and is continuing; (ii) that the representations and warranties set forth in the Agreement are and shall be true and correct in all material respects on and as of the Loan Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date; (iii) that Borrower is in compliance with all the terms and provisions set forth in each Loan Document on its part to be observed or performed; and (iv) that as of the Loan Date, no fact or condition exists that would (or would, with the passage of time, the giving of notice, or both) constitute an Event of Default under the Loan Documents. Borrower understands and acknowledges that SDPB has the right to review the financial information supporting this representation and Lender may decline to fund the requested Advance if following such review SDPB reasonably concludes such representation is not accurate in any material respect.

Borrower hereby represents that Borrower's entity status and locations have not changed since the date of the Agreement.

Borrower agrees to notify SDPB promptly before the funding of the Advance if any of the matters which have been represented above were not true and correct on the Loan Date, and if Lender has received no such notice before the Loan Date, then the statements set forth above shall be deemed to have been made and shall be deemed to be true and correct as of the Loan Date.

Executed as of _____, 20

ANI License Fund, LLC,

By _____
Kim H. Peterson or Gina Champion Cain

SDPB.147.589355.1

Exhibit B

Escrow No. ____-00-DD

Chicago Title Company
701 B Street, Suite 760
San Diego, CA 92101

ESCROW AGREEMENT
(Holding Funds)

This Escrow Agreement ("Agreement") is made and entered into as of _____, 20__ by and between ANI Development, LLC, a California limited liability company ("Lender") and Chicago Title Company, a California corporation ("Escrow Holder").

RECITALS

Lender desires to deposit certain funds and direct others to deposit certain funds (the "Deposit") into this Escrow and to provide Escrow Holder with written instructions setting forth the conditions under which Escrow Holder will invest and hold the funds and ultimately disburse them.

Lender and Escrow Holder understand that this is a limited escrow only and is being opened for the benefit of _____ ("Applicant"), who is applying for approval of a transfer to Applicant of a license issued by the California Department of Alcoholic Beverage Control ("ABC") under Business and Professions Code Sections 24070-24082. The license that is the subject of Applicant's application to ABC is License No. _____ ("the License").

NOW, THEREFORE, the parties agree as follows:

AGREEMENTS

Deposit. Within five business days following the date this Agreement is signed by Lender and Escrow Holder, Lender will cause to be deposited a total sum of _____ ("the Deposit") with Escrow Holder for the refundable deposit for Applicant's application to ABC for approval of transfer to Applicant of the License. The source of funds for the Deposit shall be from an account at San Diego Private Bank in the name of ANI License Fund, LLC. Escrow Holder will do the following:

Invest Funds. Place the Deposit into an interest bearing account with all interest accruing to the account of Lender. Concurrently herewith Lender will provide Escrow Holder with the required IRS Form W-9 and Investment Instructions required to establish such account.

226 Form. Escrow Holder shall send to ABC a completed Form 226 upon Escrow Holder's receipt of the Deposit.

Ownership of Deposit. It is acknowledged and understood that only ANI License Fund LLC has an ownership interest in the Deposit and that Lender has no ownership interest in the Deposit and has no

right to direct the disposition of the Deposit except as set forth in and as provided in the Release of Deposit paragraph as follows.

Release of Deposit. At any time, Lender may provide written instructions to Escrow Holder to release all or a portion of the Deposit and the interest thereon. During the term of this Escrow, upon the written instructions from the Lender, Escrow Holder will disburse the Deposit and, as instructed by the Lender, only to the following account:

San Diego Private Bank
ABA#122244029
FCC: ANI License Fund, LLC
A/C#:

Upon receipt of such instructions, Escrow Holder's only duty is to comply with said instructions and to disburse the Deposit as requested by Lender and in accordance with this Escrow Agreement.

Escrow Holder's Requirement to Terminate Escrow. Escrow Holder shall terminate this Escrow upon the instructions of Lender or 240 days after this Escrow has been opened, unless requested to do otherwise by the Lender. At the time that this Escrow is terminated, the Deposit and, as instructed by the Lender, any interest thereon shall be disbursed to the ANI License Fund, LLC account referenced above, and all remaining funds shall be disbursed to Lender unless otherwise directed, less Escrow Holder's unpaid fees.

Escrow Holder's Fee. Lender shall pay to Escrow Holder a fee in the amount of \$1,000.00 for Escrow Holder's services provided in connection with this Escrow, which fee shall be paid \$500.00 upon Escrow Holder's receipt of the Deposit and \$500.00 upon Escrow Holder's release of the Deposit.

Escrow Holder's General Provisions. By signature hereon, Lender approves Escrow Holder's General Provisions, a copy of which is attached to this Agreement as Exhibit "A" and are incorporated by reference as if fully set forth in this section.

Escrow Holder's Wiring Instructions. By signature hereon, Lender approves Escrow Holder's Wiring Instructions directive, a copy of which is attached to the Agreement as Exhibit "B" and are incorporated by reference as if fully set forth in this section.

Third Party Beneficiary. The Lender and the Escrow Holder agree that San Diego Private Bank shall be, and is hereby, named an express third party beneficiary of this Agreement, with full rights as such. The language of this Agreement relating to "Release of Deposit" and "Escrow Holder's Requirement to Terminate Escrow" cannot be amended without the advance written consent of the San Diego Private Bank.

IN WITNESS WHEREOF, this Agreement has been executed by the parties effective as of the date indicated above.

LENDER

By:

Date:

ESCROW HOLDER

By:

Date:

Exhibit "A" **GENERAL PROVISIONS**

1. DEPOSIT OF FUNDS

The law dealing with the disbursement of funds requires that all funds be available for withdrawal as a matter of right by the title entity's escrow and/or sub escrow account prior to disbursement of any funds. Only cash or wire-transferred funds can be given immediate availability upon deposit. Cashier's checks, teller's checks and Certified checks may be available one business day after deposit. All other funds such as personal, corporate or partnership checks and drafts are subject to mandatory holding periods which may cause material delays in disbursement of funds in this escrow. In order to avoid delays, all findings should be wire transferred. Outgoing wire transfers will not be authorized until confirmation of the respective incoming wire transfer or of availability of deposited checks.

Deposit of funds into general escrow trust account unless instructed otherwise. You may instruct Escrow Holder to deposit your funds into an interest bearing account by signing and returning the "Notice of Opportunity to Open Interest Bearing Account", which has been provided to you. If you do not so instruct us, then all funds received in this escrow shall be deposited with other escrow funds in one or more general escrow trust accounts, which include both non-interest bearing demand accounts and other depository accounts of Escrow Holder, in any state or national bank or savings and loan association insured by the Federal Deposit Insurance Corporation (the "depository institutions") and may be transferred to any other such escrow trust accounts of Escrow Holder or one of its affiliates, either within or outside the State of California. A general escrow trust account is restricted and protected against claims by third parties and creditors of Escrow Holder and its affiliates.

Receipt of benefits by Escrow Holder and affiliates. The parties to this escrow acknowledge that the maintenance of such general escrow trust accounts with some depository institutions may result in Escrow Holder or its affiliates being provided with an array of bank services, accommodations or other benefits by the depository institution. Some or all of those benefits may be considered interest due you under California Insurance Code Section 12413.5. Escrow Holder or its affiliates also may elect to enter into other business transactions with or obtain loans for investment or other purposes from the depository institution. All such services, accommodations, and other benefits shall accrue to Escrow Holder or its affiliates and Escrow Holder shall have no obligation to account to the parties to this escrow for the value of such services, accommodations, interest or other benefits.

Said funds will not earn interest unless the instructions otherwise specifically state that funds shall be deposited in an interest-bearing account. All disbursements shall be made by check of (PROFCMR). The principals to this escrow are hereby notified that the funds deposited herein are insured only to the limit provided by the Federal Deposit Insurance Corporation. Any instruction for bank wire will provide reasonable time or notice for Escrow Holder's compliance with such instruction. Escrow Holder's sole duty and responsibility shall be to place said wire transfer instructions with its wiring bank upon confirmation of (1) satisfaction of conditions precedent or (2) document recordation at close of escrow. Escrow Holder will NOT be held responsible for lost interest due to wire delays caused by any bank or the Federal Reserve System, and recommends that all parties make themselves aware of banking regulations with regard to placement of wires.

In the event there is insufficient time to place a wire upon any such confirmation or the wires have closed for the day, the parties agree to provide written instructions for an alternative method of disbursement. **WITHOUT AN ALTERNATIVE DISBURSEMENT INSTRUCTION, FUNDS WILL BE HELD IN TRUST IN A NON-INTEREST BEARING ACCOUNT UNTIL THE NEXT OPPORTUNITY FOR WIRE PLACEMENT.**

2. PROVISIONS AND ADJUSTMENTS

All provisions and/or adjustments called for in this escrow are to be made on the basis of a thirty (30) day month unless otherwise instructed in writing. You are to use information contained on last available tax statement, rental statement as provided by the Seller, beneficiary's statement and fire insurance policy delivered into escrow for the provisions provided for herein.

3. SUPPLEMENTAL TAXES

The within described property may be subject to supplemental real property taxes due to the change of ownership taking place through this escrow. Any supplemental real property taxes arising as a result of the transfer of the property to Buyer shall be the sole responsibility of Buyer and any supplemental real property taxes arising prior to the closing date shall be the sole responsibility of the Seller. **TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER.**

4. UTILITIES/POSSESSION

Transfer of utilities and possession of the premises are to be settled by the parties directly and outside escrow.

5. PREPARATION AND RECORDATION OF INSTRUMENTS

Escrow Holder is authorized to prepare, obtain, record and deliver the necessary instruments to carry out the terms and conditions of this escrow and to order the policy of title insurance to be issued at close of escrow as called for in these instructions. Close of escrow shall mean the date instruments are recorded.

6. AUTHORIZATION TO FURNISH COPIES

You are authorized to furnish copies of these instructions, supplements, amendments, notices of cancellation and closing statements, to the Real Estate Broker(s) and Lender(s) named in this escrow.

7. RIGHT OF CANCELLATION

Any principal instructing you to cancel this escrow shall file notice of cancellation in your office in writing. You shall, within two (2) working days thereafter, deliver one copy of such notice to each of the other principals at the addresses stated in this escrow. **UNLESS WRITTEN**

OBJECTION TO CANCELLATION IS FILED IN YOUR OFFICE BY A PRINCIPAL WITHIN TEN (10) DAYS AFTER DATE OF SUCH MAILING, YOU ARE AUTHORIZED TO COMPLY WITH SUCH NOTICE AND DEMAND PAYMENT OF YOUR CANCELLATION CHARGES. If written objection is filed, you are authorized to hold all money and instruments in this escrow and take no further action until otherwise directed, either by the principals' mutual written instructions, or by final order of a court of competent jurisdiction.

8. PERSONAL PROPERTY

No examination or insurance as to the amount or payment of personal property taxes is required unless specifically requested.

By signing these General Provisions, the parties to the escrow hereby acknowledge that they are indemnifying the Escrow Holder against any and all matters relating to any "Bulk Sales" requirements, and instruct Escrow Agent to proceed with the closing of escrow without any consideration of matter of any nature whatsoever regarding "Bulk Sales" being handled through escrow.

9. RIGHT OF RESIGNATION

Escrow Holder has the right to resign upon ten (10) days written notice delivered to the principals herein. If such right is exercised, all funds and documents shall be returned to the party who deposited them and Escrow Holder shall have no liability hereunder.

10. AUTHORIZATION TO EXECUTE ASSIGNMENT OF HAZARD INSURANCE POLICIES

Either Buyer, Seller and/or Lender may hand you the insurance agent's name and insurance policy information, and you are to execute, on behalf of the principals hereto, form assignments of interest in any insurance policy (other than title insurance) called for in this escrow, forward assignment and policy to the insurance agent, requesting that the insurer consent to such transfer and/or attach a loss payable

clause and/or such other endorsements as may be required, and forward such policy(s) to the principals entitled thereto. It is not your responsibility to verify the information handed you or the assignability of said insurance. Your sole duty is to forward said request to insurance agent at close of escrow.

Further, there shall be no responsibility upon the part of Escrow Holder to renew hazard insurance policy(s) upon expiration or otherwise keep it in force either during or subsequent to the close of escrow. Cancellation of any existing hazard insurance policies is to be handled directly by the principals, and outside of escrow.

11. ACTION IN INTERPLEADER

The principals hereto expressly agree that you, as Escrow Holder, have the absolute right at your election to file an action in Interpleader requiring the principals to answer and litigate their several claims and rights among themselves and you are authorized to deposit with the clerk of the court all documents and funds held in this escrow. In the event such action is filed, the principals jointly and severally agree to pay your cancellation charges and costs, expenses and reasonable attorney's fees which you are required to expend or incur in such Interpleader action, the amount thereof to be fixed and judgment therefore to be rendered by the court. Upon the filing of such action, you shall thereupon be fully released and discharged from all obligations imposed by the terms of this escrow or otherwise.

12. TERMINATION OF AGENCY OBLIGATION

If there is no action taken on this escrow within six (6) months after the "time limit date" as set forth in the escrow instructions or written extension thereof, your agency obligation shall terminate at your option and all documents, monies or other items held by you shall be returned to the parties depositing same. In the event of cancellation of this escrow, whether it be at the request of any of the principals or otherwise, the fees and charges due (PROFCNTR), including expenditures incurred and/or authorized shall be borne equally by the parties hereto (unless otherwise agreed to specifically).

13. CONFLICTING INSTRUCTIONS

Upon receipt of any conflicting instructions, you are to take no action in connection with this escrow until non-conflicting instructions are received from all of the principals to this escrow (subject to sections 7, 9, 11 and 12 above).

14. REIMBURSEMENT ATTORNEY FEES/ESCROW HOLDER

In the event that a suit is brought by any party or parties to these escrow instructions to which the Escrow Holder is named as a party which results in a judgment in favor of the Escrow Holder and against a principal or principals hereto, the principals or principals' agent agree to pay said Escrow Holder all costs, expenses and reasonable attorney's fees which it may expend or incur in said suit, the amount thereof to be fixed and judgment therefore to be rendered by the court in said suit.

15. DELIVERY/RECEIPT

Delivery to principals as used in these instructions unless otherwise stated herein is to be by regular mail, and receipt is determined to be 72 hours after such mailing. All documents, balances and statements due to the undersigned are to be mailed to the address shown herein. All notices, change of instructions, communications and documents are to be delivered in writing to the office of Chicago Title Company as set forth herein.

16. STATE/FEDERAL CODE NOTIFICATIONS

According to Federal Law, the Seller, when applicable, will be required to complete a sales activity report that will be utilized to generate a 1099 statement to the Internal Revenue Service.

Pursuant to State Law, prior to the close of escrow, Buyer will provide Escrow Holder with a Preliminary Change of Ownership Report. In the event said report is not handed to Escrow Holder for submission to the County in which subject property is located, upon recording of the Grant Deed, Buyers acknowledge that the applicable fee will be assessed by said County and Escrow Holder shall debit the account of Buyer for same at close of escrow.

Buyer and Seller herein represent and warrant that they will seek and obtain independent legal advice and counsel relative to their obligations under the "Foreign Investors in Real Property Act", and any other applicable federal and/or state laws regarding same, and will take all steps necessary in order to comply with such requirements and hereby hold you harmless relative to that compliance therewith.

17. ENCUMBRANCES

Escrow Holder is not upon any statements furnished by a lienholder or his agent without liability or responsibility for the accuracy of such statements. Any adjustments necessary because of a discrepancy between the information furnished Escrow Holder and any amount later determined to be correct shall be settled between the parties direct and outside of escrow.

You are authorized, without the need for further approval, to debit my account for any fees and charges that I have agreed to pay in connection with this escrow, and for any amounts that I am obligated to pay to the holder of any lien or encumbrance to establish the title as insured by the policy of the insurance called for in these instructions. If for any reason my account is not debited for such amounts at the time of closing, I agree to pay them immediately upon demand, or to reimburse any other person or entity who has paid them.

18. ENVIRONMENTAL ISSUES

Chicago Title Company has made no investigation concerning said property as to environmental/toxic waste issues. Any due diligence required or needed to determine environmental impact as to issues of toxification, if applicable, will be done directly and by principals outside of escrow. Chicago Title Company is released of any responsibility and/or liability in connection therewith.

19. USURY

Escrow Holder is not to be concerned with any questions of usury in any loan or encumbrance involved in the processing of this escrow and is hereby released of any responsibility or liability therefore.

20. DISCLOSURE

Escrow Holder's knowledge of matters affecting the property, provided such facts do not prevent compliance with these instructions, does not create any liability or duty in addition to these instructions.

21. FACSIMILE SIGNATURE

Escrow Holder is hereby authorized and instructed that, in the event any party utilizes "facsimile" transmitted signed documents or instructions to Escrow Holder, you are to rely on the same for all escrow instruction purposes and the closing of escrow as if they bore original signatures. Each party shall make every effort to provide to the other party and to Escrow Holder, within 72 hours after transmission, duplicate original documents or instructions bearing the original signatures. Each party further acknowledges and agrees that documents with non-original signatures may not be accepted for recording by the County Recorder, therefore no closing or recording may take place without the submission of the original documents.

22. CLARIFICATION OF DUTIES

Chicago Title Company serves ONLY as an Escrow Holder in connection with these instructions and cannot give legal advice to any party hereto.

Escrow Holder is not to be held accountable or liable for the sufficiency or correctness as to form, manner of execution, or validity of any instrument deposited in this escrow, nor as to the identity, authority or rights of any person executing the same. Escrow Holder's duties hereunder shall be limited to the proper handling of such money and the proper safekeeping of such instruments, or other documents received by Escrow Holder, and for the disposition of same in accordance with the written instructions accepted by Escrow Holder.

The agency and duties of Escrow Holder commence only upon receipt of copies of these Escrow Instructions executed by all parties.

23. FUNDS HELD IN ESCROW

When the company has funds remain in escrow over 90 days after close of escrow or estimated close of escrow, the Company shall impose a monthly holding fee of \$2500 that is to be charged against the funds held by the Company.

THIS AGREEMENT IN ALL PARTS APPLIES TO, INURES TO THE BENEFIT OF, AND BINDS ALL PARTIES HERETO, THEIR HEIRS, LEGATEES, DEVISEES, ADMINISTRATORS, EXECUTORS, SUCCESSORS AND ASSIGNS, AND WHENEVER THE CONTEXT SO REQUIRES THE MASCULINE GENDER INCLUDES THE FEMININE AND NEUTER, AND THE SINGULAR NUMBER INCLUDES THE PLURAL. THESE INSTRUCTIONS AND ANY OTHER AMENDMENTS MAY BE EXECUTED IN ANY NUMBER OF COUNTERPARTS, EACH OF WHICH SHALL BE CONSIDERED AS AN ORIGINAL AND BE EFFECTIVE AS SUCH.

MY SIGNATURE HERETO CONSTITUTES INSTRUCTION TO ESCROW HOLDER OF ALL TERMS AND CONDITIONS CONTAINED IN THIS AND ALL PRECEDING PAGES AND FURTHER SIGNIFIES THAT I HAVE READ AND UNDERSTAND THESE GENERAL PROVISIONS.

Chicago Title Company conducts escrow business under a Certificate of Authority No. 350 issued by the California Department of Insurance.

EXHIBIT "B"

Wiring Instructions

All Funds related to the Section on Release of the Initial Deposit held in Escrow will be wired on behalf of Lender directly to the following:

Name of Bank:	San Diego Private Bank
Address of Bank:	9404 Genessee Avenue, Suite 100
City and State:	La Jolla, CA 92037
ABA Number:	122244029
FCC:	ANI License Fund, LLC
Bank Account Number:	

ATTACHMENT 2

CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No.	Only call	Account	Office	Initials
\$7,500,000.00	06/20/2016	03/10/2017	52246			RA	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

Principal Amount: \$7,500,000.00

Initial Rate: 6.500%

Date of Agreement: June 20, 2016

DESCRIPTION OF EXISTING INDEBTEDNESS. Promissory Note dated September 9, 2015 in the original principal amount of \$5,000,000.000 between Borrower and Lender, with the current principal balance of \$4,650,000.00.

DESCRIPTION OF COLLATERAL. Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484284001 (ANI License Fund, LLC) and Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484284485 (ANI Development, LLC).

DESCRIPTION OF CHANGE IN TERMS.

1. Effective June 20, 2016, the Promissory Note is modified as follows:

The Principal Amount of the Note is hereby increased from \$5,000,000.00 to \$7,500,000.00.

All other terms and conditions shall remain the same.

2. Effective June 20, 2016, the Business Loan Agreements is modified as follows:

The section LOAN ADVANCES shall include the following sentence: Borrower acknowledges and agrees that upon receipt of funds from Chicago Title Company ("Escrow Holder") for repayment of each Advance that Lender may debit the Borrower's DDA account, and credit Loan #62246 for the principal amount of the each Advance being repaid by Escrow Holder without additional approval from Borrower.

All other terms and conditions shall remain the same.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on March 10, 2017. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning July 10, 2016, with all subsequent interest payments to be due on the same day of each month after that.

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the U. S. Prime Rate as published in the Money Rates section of the Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 3.500% per annum. Interest on the unpaid principal balance of this loan will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 3.000 percentage points over the Index, resulting in an initial rate of 6.500%. NOTICE: Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this loan is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year (365 for all years, including leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this loan is computed using this method.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

GUARANTOR EXHIBIT. An exhibit, titled "GUARANTOR EXHIBIT," is attached to this Agreement and by this reference is made a part of this Agreement just as if all the provisions, terms and conditions of the Exhibit had been fully set forth in this Agreement.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: Gina Champion-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By: Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

CHANGE IN TERMS AGREEMENT

References in the herein shown are for Lender's use only and do not constitute the modification of this Agreement in any particular. Each of them shall have the effect of a new agreement and shall be subject to the same terms and conditions as the original agreement.

Borrower: ANI License Fund, LLC, a California limited liability company
3616 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
660 West C Street, Suite 110
San Diego, CA 92101

Principal Amount: \$7,500,000.00

Initial Rate: 6.500%

Date of Agreement: June 20, 2016

DESCRIPTION OF EXISTING INDEBTEDNESS. Promissory Note dated September 9, 2015 in the original principal amount of \$6,000,000.00 between Borrower and Lender, with the current principal balance of \$4,850,000.00.

DESCRIPTION OF COLLATERAL. Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264001 (ANI License Fund, LLC) and Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264485 (ANI Development, LLC).

DESCRIPTION OF CHANGE IN TERMS.

1. Effective June 20, 2016, the Promissory Note is modified as follows:

The Principal Amount of the Note is hereby increased from \$6,000,000.00 to \$7,500,000.00.

All other terms and conditions shall remain the same.

2. Effective June 20, 2016, the Business Loan Agreement is modified as follows:

The section LOAN ADVANCES shall include the following sentence: Borrower acknowledges and agrees that upon receipt of funds from Chicago Title Company ("Escrow Holder") for repayment of each Advance that Lender may debit the Borrower's DDA account and credit Loan #52246 for the principal amount of the each Advance being repaid by Escrow Holder without additional approval from Borrower.

All other terms and conditions shall remain the same.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on March 10, 2017. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning July 10, 2016, with all subsequent interest payments to be due on the same day of each month after that.

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the U. S. Prime Rate as published in the Money Rates section of the Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 3.500% per annum. Interest on the unpaid principal balance of this loan will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 3.000 percentage points over the Index, resulting in an initial rate of 6.500%. NOTICE: Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this loan is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year (365 for all years, including leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this loan is computed using this method.

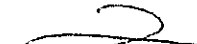
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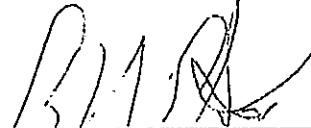
GUARANTOR EXHIBIT. An exhibit, titled "GUARANTOR EXHIBIT," is attached to this Agreement and by this reference is made a part of this Agreement just as if all the provisions, terms and conditions of the Exhibit had been fully set forth in this Agreement.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 
Gina Champion-Calkins, Manager of ANI License Fund, LLC, a California limited liability company

By: 
Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

CHANGE IN TERMS AGREEMENT (Continued)

Loan No: 52246

Page 2

LENDER:

SAN DIEGO PRIVATE BANK

X Serge Clark
Authorized Signor

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GUARANTOR EXHIBIT

Principal	Loan Date	Maturity	Loan No.	Call/Call	Account	Officer	Initial
\$7,500,000.00	06/20/2016	03/10/2017	52246			PA	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "..." has been omitted due to text length limitations.

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

This GUARANTOR EXHIBIT is attached to and by this reference is made a part of the Change in Terms Agreement, dated June 20, 2016, and executed in connection with a loan or other financial accommodations between SAN DIEGO PRIVATE BANK and ANI License Fund, LLC, a California limited liability company.

Guarantors have reviewed the Change in Terms Agreement and hereby consent to its execution by Borrower. Guarantors acknowledge and agree that: (a) The execution of the Change in Terms Agreement shall not impair, limit, abrogate or reduce in any manner or to any extent the obligations of Guarantors under the Guaranty; and (b) Lender would not enter into the Change in Terms Agreement without the execution and delivery of this consent. Guarantors acknowledge and agree that, notwithstanding the execution of the Change in Terms Agreement: (a) Guarantors remain liable under and pursuant to the Guaranty to the fullest extent as if the original provisions of the Related Documents were as reflected in the Related Documents as modified by the Change in Terms Agreement; (b) Each provision of the Guaranty remains unaffected and unchanged and in full force and effect, and (c) Guarantors hereby renew, reaffirm, ratify and confirm the Guaranty.

GUARANTORS:

PETERSON FAMILY TRUST DATED 4/14/1992

BY: 
Kim H. Peterson, Trustee of the Peterson Family Trust

Kim H. Peterson, Individually

THE GINA CHAMPION-CAIN REVOCABLE TRUST AGREEMENT DATED JUNE 26, 2012

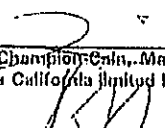
By: 
Gina Champion-Cain

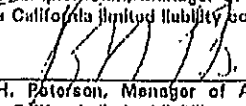
Gina Champion-Cain, Individually

THIS GUARANTOR EXHIBIT IS EXECUTED ON JUNE 20, 2016.

BORROWER:

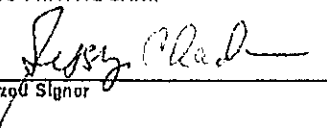
ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 
Gina Champion-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By: 
Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

LENDER:

SAN DIEGO PRIVATE BANK

X 
Authorized Signer

GUARANTOR EXHIBIT

Principal	Loan Date	Maturity	Loan No.	Call/ Coll	Account	Officer	Initials
\$7,500,000.00	06/20/2016	08/10/2017	522246			PA	
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Guarantors have reviewed the Change in Terms Agreement and hereby consent to its execution by Borrower. Guarantors acknowledge and agree that: (a) The execution of the Change in Terms Agreement shall not impair, limit, abrogate or reduce in any manner or to any extent the obligations of Guarantors under the Guaranty; and (b) Lender would not enter into the Change in Terms Agreement without the execution and delivery of this consent. Guarantors acknowledge and agree that, notwithstanding the execution of the Change in Terms Agreement: (a) Guarantors remain liable under and pursuant to the Guaranty to the fullest extent as if the original provisions of the Related Documents were as reflected in the Related Documents as modified by the Change in Terms Agreement; (b) Each provision of the Guaranty remains unaffected and unchanged and in full force and effect, and (c) Guarantors hereby renew, reaffirm, ratify and confirm the Guaranty.

GUARANTORS:

PETERSON FAMILY TRUST DATED 4/14/1992

By: [Signature]
Kim H. Peterson, Trustee of the Peterson Family Trust

[Signature]
Kim H. Peterson, Individually

THE GINA CHAMPION-CAIN REVOCABLE TRUST AGREEMENT DATED JUNE 26, 2012

By: [Signature]
Gina Champion-Cain

[Signature]
Gina Champion-Cain, Individually.

THIS GUARANTOR EXHIBIT IS EXECUTED ON JUNE 20, 2016.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: [Signature]
Gina Champion-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By: [Signature]
Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

LENDER:

SAN DIEGO PRIVATE BANK

X [Signature]
Authorized Signer

ATTACHMENT 3

CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	03-10-2018	52246			PA	RL
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

Principal Amount: \$12,500,000.00

Initial Rate: 7.000%

Date of Agreement: April 4, 2017

DESCRIPTION OF EXISTING INDEBTEDNESS.

Promissory Note dated September 9, 2015 in the original Principal Amount of \$5,000,000.00 as modified by Change in Terms Agreement dated June 20, 2016 increasing the Principal Amount to \$7,500,000.00 together with all renewals, extensions and modifications related thereto (the "Note").

DESCRIPTION OF COLLATERAL.

Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264001 (ANI License Fund, LLC) and Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264485 (ANI Development, LLC).

DESCRIPTION OF CHANGE IN TERMS.

Effective March 10, 2017, the Note is hereby modified as follows:

1. The date on which all outstanding principal is due and payable together with any accrued but unpaid interest (the "Maturity Date") is hereby extended from March 10, 2017 to March 10, 2018.
2. The Principal Amount of the Note is hereby increased from \$7,500,000.00 to \$12,500,000.00. Borrower promises to pay to Lender, the principal amount of \$12,500,000.00, or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance made under the Note.
3. The section entitled LINE OF CREDIT is modified to include the following as subsection (F). Borrower acknowledges and agrees that the current combined legal lending limit of Lender and Lender's participant is \$12,448,000. Unless and until such lending limit is increased, Borrower will not receive advances and will not request advances in excess of the amount of \$12,448,000.

The Business Loan Agreement is modified as follows:

1. The section entitled Guaranties is hereby modified as follows: ANI Development, LLC is hereby added as an unlimited Guarantor.
2. Commercial Guaranty of even date by ANI Development, LLC, a California limited liability company is executed concurrently with this Agreement.
3. The section entitled LOAN ADVANCES is hereby modified and restated as follows: Borrower may request an Advance by submitting to Lender a completed Loan Request in the form attached as Exhibit A at least three (3) days prior to the proposed funding. Each Advance shall be funded to Chicago Title Company pursuant to the form of Escrow Agreement attached hereto as Exhibit B. In the alternative, an Advance may be funded to a Borrower account with Lender to be funded to Chicago Title Company as provided in this Agreement. The date on which each Advance shall be repaid (the "Due Date") shall be three Business Days following the earliest of (1) the date License Applicant delivers to Escrow Holder the License Applicant's funds to replace the principal amount of the Advance, (2) the date the License Applicant's license transfer escrow is terminated because the ABC disapproved the License Applicant's transfer application, or (3) the date that is 300 days after the Loan Date for such Advance. Borrower shall pay to Lender for each Advance Lender's standard wire transfer fees. Borrower acknowledges and agrees that funds received from Chicago Title Company ("Escrow Holder") for repayment of each Advance shall be deposited into the Borrower's DDA account ("Restricted Account"). Borrower acknowledges and agrees that Borrower shall have no control over or access to the Restricted Account under any circumstances. Lender is hereby irrevocably authorized to debit the Restricted Account and credit Loan #52246 for the principal and interest owed on each Advance being repaid by Escrow Holder without any additional approval from Borrower. After Lender debits the Restricted Account for repayment of a particular Advance, Lender shall deposit any remaining funds held in the Restricted Account related to such Advance into the Borrower's DDA account # 00219355 ("Unrestricted Account"). Borrower shall have access only to the Unrestricted Account.
4. Add the following provision: **CONTRACTUAL COMMITMENT TO ADVANCE FUNDS.** The Lender agrees to advance funds under this Loan as long as the outstanding principal balance combined with all other outstanding obligations of the Borrower to the Lender and the amount of such advance is within the Lender's lending limit on the date of funding as determined under 12 U.S.C. 84 and regulations thereunder. If the advance of funds requested by Borrower will cause the Borrower's combined outstanding obligations to be greater than the institution's lending limit, then the Lender shall have no obligation to make such advance. The Lender's refusal to advance funds to Borrower under this condition will not be considered a breach of this contract and will release the Lender from its obligation to advance funds.

All other terms and conditions shall remain the same.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on March 10, 2018. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning April 10, 2017, with all subsequent interest payments to be due on the same day of each month after that.

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the U. S. Prime Rate as published in the Money Rates section of the Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 4.000% per annum. Interest on the unpaid principal balance of this loan will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 3.000 percentage points over the Index, resulting in an initial rate of 7.000%. NOTICE: Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this loan is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year (365 for all years, including leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this loan is computed using this method.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does

**CHANGE IN TERMS AGREEMENT
(Continued)**

Loan No: 52246

Page 2


not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.


GUARANTOR EXHIBIT. An exhibit, titled "GUARANTOR EXHIBIT," is attached to this Agreement and by this reference is made a part of this Agreement just as if all the provisions, terms and conditions of the Exhibit had been fully set forth in this Agreement.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 
Gina Champion-Cain, Manager of ANI License Fund,
LLC, a California limited liability company

By: 
Kim H. Peterson, Manager of ANI License Fund,
LLC, a California limited liability company

LENDER:

SAN DIEGO PRIVATE BANK

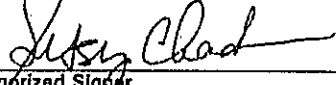
X 
Authorized Signer

EXHIBIT A to Business Loan Agreement
(Loan Request Form)

Exhibit A

LOAN REQUEST

To: San Diego Private Bank
9404 Genesee Avenue, Suite 100
La Jolla, California 92037

Attn: Betsy Chadwick

ANI License Fund, LLC ("Borrower"), hereby requests from San Diego Private Bank ("SDPB") a Loan in the amount of \$_____ on _____, 20__ (the "Loan Date") pursuant to the Loan Agreement between Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please wire funds to:

Bank: Union Bank, Monterey Park, CA
Escrow Agent: Chicago Title Company
ABA Number: 122000496
Account Number:
Reference: Escrow/Title Order No. 32743-DD 66061 DD
Escrow Office Name: Della Ducharme Unit

Borrower represents that the conditions precedent to the Loan set forth in the Agreement are satisfied and shall be satisfied upon the making of such Loan, including but not limited to (i) that no event that has had or could reasonably be expected to have a material adverse effect has occurred and is continuing; (ii) that the representations and warranties set forth in the Agreement are and shall be true and correct in all material respects on and as of the Loan Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date; (iii) that Borrower is in compliance with all the terms and provisions set forth in each Loan Document on its part to be observed or performed; and (iv) that as of the Loan Date, no fact or condition exists that would (or would, with the passage of time, the giving of notice, or both) constitute an Event of Default under the Loan Documents. Borrower understands and acknowledges that SDPB has the right to review the financial information supporting this representation and Lender may decline to fund the requested Loan if following such review SDPB reasonably concludes such representation is not accurate in any material respect.

Borrower hereby represents that Borrower's corporate status and locations have not changed since the date of the Agreement.

Borrower agrees to notify SDPB promptly before the funding of the Loan if any of the matters which have been represented above were not true and correct on the Loan Date, and if Lender has received no such notice before the Loan Date, then the statements set forth above shall be deemed to have been made and shall be deemed to be true and correct as of the Loan Date.

Executed as of _____, 20__

ANI License Fund, LLC,

By _____
Kim H. Peterson or Gina Champion Cain

EXHIBIT B to Business Loan Agreement
(Escrow Agreement)

Escrow No. 66061-DD

Chicago Title Company
701 B Street, Suite 760
San Diego, California 92101



ESCROW AGREEMENT
(Holding Funds)

This Escrow Agreement ("Agreement") is made and entered into as of _____, 2017, by and between ANI Development, LLC, a California limited liability company ("Lender"), and Chicago Title Company, a California corporation ("Escrow Holder").

R E C I T A L S

Lender desires to deposit certain funds and direct others to deposit certain funds (the "Deposit") into this Escrow and to provide Escrow Holder with written instructions setting forth the conditions under which Escrow Holder will invest and hold the funds and ultimately disburse them.

Lender and Escrow Holder understand that this is a limited escrow only and is being opened for the benefit of _____ ("Applicant"), who is applying for approval of a transfer to Applicant of a license issued by the California Department of Alcoholic Beverage Control ("ABC") under Business and Professions Code sections 24070-24082. The license that is the subject of Applicant's application to ABC is License No. _____ ("the License").

NOW, THEREFORE, the parties agree as follows:

A G R E E M E N T S

Deposit. Within five business days following the date this Agreement is signed by Lender and Escrow Holder, Lender will cause to be deposited a total sum of \$_____ ("the Deposit") with Escrow Holder for the refundable deposit for Applicant's application to ABC for approval of transfer to Applicant of the License. The source of funds for the Deposit shall be from an account at San Diego Private Bank in the name of ANI License Fund, LLC. Escrow Holder will do the following:

Invest Funds. Place the Deposit into an interest-bearing account with all interest accruing to the account of Lender. Concurrently herewith, Lender will provide Escrow Holder with the required IRS Form W-9 and Investment Instructions required to establish such account.

226 Form. Escrow Holder shall send to ABC a completed Form 226 upon Escrow Holder's receipt of the Deposit.

Ownership of Deposit. It is acknowledged and understood that only ANI License Fund, LLC has an ownership interest in the Deposit and that Lender has no ownership interest in the Deposit and has no right to direct the disposition of the Deposit except as set forth in and as provided in the Release of Deposit paragraph as follows.

Release of the Initial Deposit. At any time, Lender may provide written instructions to Escrow Holder to release all or a portion of the Deposit and the interest thereon. During the term of this Escrow, upon the written instructions from the Lender, Escrow Holder will disburse the Deposit and, as instructed by the Lender, only to the following account:

San Diego Private Bank
ABA # 122244029
FCC: ANI License Fund, LLC
A/C#

Upon receipt of such instructions, Escrow Holder's only duty is to comply with said instructions and to disburse the Deposit as requested by Lender, and in accordance with this Escrow Agreement.

Escrow Holder's Requirement to Terminate Escrow. Escrow Holder shall terminate this Escrow upon the instructions of Lender or 300 days after this Escrow has been opened, unless requested to do otherwise by both Lender and San Diego Private Bank. At the time that this Escrow is terminated, the Deposit and, as instructed by the Lender, any interest thereon shall be disbursed to the ANI License Fund, LLC account referenced above, and all remaining funds shall be disbursed to Lender unless otherwise directed, less Escrow Holder's unpaid fees.

Escrow Holder's Fee. Lender shall pay to Escrow Holder a fee in the amount of \$1,000.00 for Escrow Holder's services provided in connection with this Escrow, which fee shall be paid \$500.00 upon Escrow Holder's receipt of the Deposit and \$500.00 upon Escrow Holder's release of the Deposit.

Escrow Holder's General Provisions. By signature hereon, Lender approves Escrow Holder's General Provisions, a copy of which is attached to this Agreement as Exhibit "A" and are incorporated by reference as if fully set forth in this section.

Escrow Holder's Wiring Instructions. By signature hereon, Lender approves Escrow Holder's Wiring Instructions directive, a copy of which is attached to the Agreement as Exhibit "B" and are incorporated by reference as if fully set forth in this section.

Third-Party Beneficiary. The Lender and the Escrow Holder agree that San Diego Private Bank shall be, and is hereby, named an express third party beneficiary of this Agreement, with full rights as such. The language of this Agreement relating to "Release of Deposit" and "Escrow Holder's Requirement to Terminate Escrow" cannot be amended without the advance written consent of the San Diego Private Bank.

IN WITNESS WHEREOF, this Agreement has been executed by the parties effective as of the date indicated above.

LENDER

ANI Development, LLC,
a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

By _____
Gina Champion-Cain

Date: _____, 2017

ESCROW HOLDER

Chicago Title Company,
a California corporation

By _____

Print Name: _____

Date: _____, 2017

GUARANTOR EXHIBIT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	03-10-2018	52246			PA	PA
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

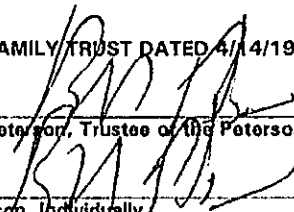
Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

This GUARANTOR EXHIBIT is attached to and by this reference is made a part of the Change in Terms Agreement, dated April 4, 2017, and executed in connection with a loan or other financial accommodations between SAN DIEGO PRIVATE BANK and ANI License Fund, LLC, a California limited liability company.

Guarantors have reviewed the Change in Terms Agreement and hereby consent to its execution by Borrower. Guarantors acknowledge and agree that: (a) The execution of the Change in Terms Agreement shall not impair, limit, abrogate or reduce in any manner or to any extent the obligations of Guarantors under the Guaranty; and (b) Lender would not enter into the Change in Terms Agreement without the execution and delivery of this consent. Guarantors acknowledge and agree that, notwithstanding the execution of the Change in Terms Agreement: (a) Guarantors remain liable under and pursuant to the Guaranty to the fullest extent as if the original provisions of the Related Documents were as reflected in the Related Documents as modified by the Change in Terms Agreement; (b) Each provision of the Guaranty remains unaffected and unchanged and in full force and effect, and (c) Guarantors hereby renew, reaffirm, ratify and confirm the Guaranty.

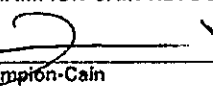
GUARANTORS:

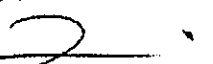
PETERSON FAMILY TRUST DATED 4/14/1992

By: 
Kim H. Peterson, Trustee of the Peterson Family Trust

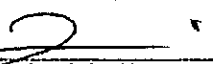
X: 
Kim H. Peterson, Individually

THE GINA CHAMPION-CAIN REVOCABLE TRUST AGREEMENT DATED JUNE 26, 2012

By: 
Gina Champion-Cain

X: 
Gina Champion-Cain, Individually


ANI DEVELOPMENT, LLC, a California limited liability company

By: 
Gina Champion-Cain, Manager

THIS GUARANTOR EXHIBIT IS EXECUTED ON APRIL 4, 2017.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 
Gina Champion-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By: 
Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

**GUARANTOR EXHIBIT
(Continued)**

Loan No: 52246

Page 2

LENDER:

SAN DIEGO PRIVATE BANK

X


Authorized Signer

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ATTACHMENT 4

CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No.	Chk/Col	Account	Officer	Initials
\$12,500,000.00	09-09-2015	06-10-2018	52248			PA	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

Principal Amount: \$12,500,000.00 **Initial Rate:** 7.500% **Date of Agreement:** March 6, 2018

DESCRIPTION OF EXISTING INDEBTEDNESS.

Promissory Note dated September 9, 2015 in the original Principal Amount of \$5,000,000.00 as modified by Change in Terms Agreement dated June 20, 2016 in the amount of \$7,500,000.00 and a Change in Terms Agreement dated April 4, 2017 increasing the Principal Amount to \$12,500,000.00, together with all renewals, extensions and modifications related thereto (the "Note").

DESCRIPTION OF COLLATERAL.

Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264001 (ANI License Fund, LLC) and Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264485 (ANI Development, LLC).

DESCRIPTION OF CHANGE IN TERMS.

The Note is hereby modified as follows: The date on which all outstanding principal is due and payable together with any accrued but unpaid interest (the "Maturity Date") is hereby extended from March 10, 2018 to June 10, 2018.

All other terms and conditions shall remain the same.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on June 10, 2018. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning April 10, 2018, with all subsequent interest payments to be due on the same day of each month after that.

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the U. S. Prime Rate as published in the Money Rates section of the Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 4.500% per annum. Interest on the unpaid principal balance of this loan will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 3.000 percentage points over the Index, resulting in an initial rate of 7.500%. **NOTICE:** Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this loan is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year (365 for all years, including leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this loan is computed using this method.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

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PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

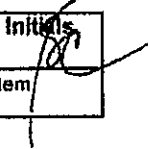
BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 
Gina Champion-Pain, Manager of ANI License Fund, LLC, a California limited liability company

By: 
Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
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3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

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CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

GUARANTOR EXHIBIT. An exhibit, titled "GUARANTOR EXHIBIT," is attached to this Agreement and by this reference is made a part of this Agreement just as if all the provisions, terms and conditions of the Exhibit had been fully set forth in this Agreement.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: Gina Champlon-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By: 
Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

Loan No: 52246

**CHANGE IN TERMS AGREEMENT
(Continued)**

Page 2

LENDER:

SAN DIEGO PRIVATE BANK

x

Sissy Chad
Authorized Signer

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GUARANTOR EXHIBIT

Principal	Loan Date	Maturity	Loan No.	Can/Col	Account	Officer	Initials
\$12,500,000.00	09-09-2015	06-10-2018	62246			PA	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

This GUARANTOR EXHIBIT is attached to and by this reference is made a part of the Change in Terms Agreement, dated March 8, 2018, and executed in connection with a loan or other financial accommodations between SAN DIEGO PRIVATE BANK and ANI License Fund, LLC, a California limited liability company.

Guarantors have reviewed the Change in Terms Agreement and hereby consent to its execution by Borrower. Guarantors acknowledge and agree that: (a) The execution of the Change in Terms Agreement shall not impair, limit, abrogate or reduce in any manner or to any extent the obligations of Guarantors under the Guaranty; and (b) Lender would not enter into the Change in Terms Agreement without the execution and delivery of this consent. Guarantors acknowledge and agree that, notwithstanding the execution of the Change in Terms Agreement: (a) Guarantors remain liable under and pursuant to the Guaranty to the fullest extent as if the original provisions of the Related Documents were as reflected in the Related Documents as modified by the Change in Terms Agreement; (b) Each provision of the Guaranty remains unaffected and unchanged and in full force and effect; and (c) Guarantors hereby renew, reaffirm, ratify and confirm the Guaranty.

GUARANTORS:

PETERSON FAMILY TRUST DATED 4/14/1992

By: [Signature]
Kim H. Peterson, Trustee of the Peterson Family Trust

X: [Signature]
Kim H. Peterson, Individually

THE GINA CHAMPION-CAIN REVOCABLE TRUST AGREEMENT DATED JUNE 26, 2012 AND AMENDED MARCH 23, 2016

By: [Signature] Trustee
Gina Champion-Cain, Trustee of The Gina Champion-Cain Revocable Trust

X: [Signature]
Gina Champion-Cain, Individually

ANI DEVELOPMENT, LLC, a California limited liability company

By: [Signature]
Gina Champion-Cain, Managing Member of ANI Development, LLC, a California limited liability company

THIS GUARANTOR EXHIBIT IS EXECUTED ON MARCH 8, 2018.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: [Signature]
Gina Champion-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By: [Signature]
Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

GUARANTOR EXHIBIT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	06-10-2018	52246			PA	<i>PC</i>
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

This GUARANTOR EXHIBIT is attached to and by this reference is made a part of the Change in Terms Agreement, dated March 6, 2018, and executed in connection with a loan or other financial accommodations between SAN DIEGO PRIVATE BANK and ANI License Fund, LLC, a California limited liability company.

Guarantors have reviewed the Change in Terms Agreement and hereby consent to its execution by Borrower. Guarantors acknowledge and agree that: (a) The execution of the Change in Terms Agreement shall not impair, limit, abrogate or reduce in any manner or to any extent the obligations of Guarantors under the Guaranty; and (b) Lender would not enter into the Change in Terms Agreement without the execution and delivery of this consent. Guarantors acknowledge and agree that, notwithstanding the execution of the Change in Terms Agreement: (a) Guarantors remain liable under and pursuant to the Guaranty to the fullest extent as if the original provisions of the Related Documents were as reflected in the Related Documents as modified by the Change in Terms Agreement; (b) Each provision of the Guaranty remains unaffected and unchanged and in full force and effect, and (c) Guarantors hereby renew, reaffirm, ratify and confirm the Guaranty.

GUARANTORS:

PETERSON FAMILY TRUST DATED 4/14/1992

BY: *Kim H. Peterson*
Kim H. Peterson, Trustee of the Peterson Family Trust

X: *Kim H. Peterson*
Kim H. Peterson, Individually

THE GINA CHAMPION-CAIN REVOCABLE TRUST AGREEMENT DATED JUNE 26, 2012 AND AMENDED MARCH 23, 2015

By: *Gina Champion-Cain*
Gina Champion-Cain, Trustee of The Gina Champion-Cain Revocable Trust

X: *Gina Champion-Cain*
Gina Champion-Cain, Individually

ANI DEVELOPMENT, LLC, a California limited liability company

By: *Gina Champion-Cain*
Gina Champion-Cain, Managing Member of ANI Development, LLC, a California limited liability company

THIS GUARANTOR EXHIBIT IS EXECUTED ON MARCH 6, 2018.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: *Gina Champion-Cain*
Gina Champion-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By: *Kim H. Peterson*
Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

Loan No: 52246

GUARANTOR EXHIBIT
(Continued)

Page 2

LENDER:

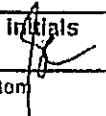
SAN DIEGO PRIVATE BANK

X Libby Ch...
Authorized Signer

Location: May 17 4 10 00P. Proj: D-11 USA Ocean: 120E 301N. Alt: 100m. Ecorecord: SA STD04A06C7N25X00S/03 TR-31 00 00

ATTACHMENT 5

CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	06-10-2019	52246			EAC	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: CalPrivate Bank
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

Principal Amount: \$12,500,000.00

Initial Rate: 8.000%

Date of Agreement: June 27, 2018

DESCRIPTION OF EXISTING INDEBTEDNESS.

Promissory Note dated September 9, 2015 in the original Principal Amount of \$5,000,000.00 as modified by Change in Terms Agreement dated June 20, 2016 in the amount of \$7,500,000.00 and Change in Terms Agreements dated April 4, 2017 and March 6, 2018 in the Principal Amount to \$12,500,000.00, together with all renewals, extensions and modifications related thereto (the "Note").

DESCRIPTION OF COLLATERAL.

Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264001 (ANI License Fund, LLC) and Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264485 (ANI Development, LLC).

DESCRIPTION OF CHANGE IN TERMS.

The Note is hereby modified as follows:

1. The date on which all outstanding principal is due and payable together with any accrued but unpaid interest (the "Maturity Date") is hereby extended from June 10, 2018 to June 10, 2019.

The Business Loan Agreement is hereby modified as follows:

1. Borrower to provide, on a quarterly basis, statements from Chicago Title with the names and amounts of CalPrivate Bank advances

2. The section entitled LOAN ADVANCES is hereby modified and restated as follows:

The date on which each Advance shall be repaid (the "Due Date") shall be three Business Days following the earliest of (1) the date License Applicant delivers to Escrow Holder the License Applicant's funds to replace the principal amount of the Advance, (2) the date the License Applicant's license transfer escrow is terminated because the ABC disapproved the License Applicant's transfer application, or (3) the date that is 300 days after the Loan Date for such Advance and the Escrow has been terminated by both ANI License Fund, LLC and CalPrivate Bank.

All other terms and conditions shall remain the same

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on June 10, 2019. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning July 10, 2018, with all subsequent interest payments to be due on the same day of each month after that.

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the U S Prime Rate as published in the Money Rates section of the Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 5.000% per annum. Interest on the unpaid principal balance of this loan will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 3.000 percentage points over the Index, resulting in an initial rate of 8.000%. NOTICE: Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this loan is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year (365 for all years, including leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this loan is computed using this method.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

COUNTERPARTS. This document may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same document.

CHANGE IN TERMS - GUARANTOR ACKNOWLEDGEMENT. An acknowledgment titled "Change in Terms - Guarantor Acknowledgement" is attached to this Agreement and by this reference is made a part of this Agreement just as if all the provisions, terms and conditions of the acknowledgment had been fully set forth in this Agreement.

**CHANGE IN TERMS AGREEMENT
(Continued)**

Loan No: 52246

Page 2

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 

Gina Champion-Cain, Manager of ANI License Fund,
LLC, a California limited liability company

By: 

Kim H. Peterson, Manager of ANI License Fund,
LLC, a California limited liability company

LENDER:

CALPRIVATE BANK

x 

Authorized Signer

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**CHANGE IN TERMS AGREEMENT
(Continued)**

Loan No: 52246

Page 2

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: Gina Champion-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By: Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

LENDER:

CALPRIVATE BANK

X Authorized Signer

LoanPro, Ver. 15.2.0.027 Copy: Copyright USA Corporation 1997-2018. All Rights Reserved. CA C:\MPL\BANK\LOANPRO\FC TR-2015 PA-1

initials

Borrower:	ANI License Fund, LLC, a California limited liability company	Lender:	CalPrivate Bank
	3515 Hancock Street, Suite 200		San Diego Office
	San Diego, CA 92110		550 West C Street, Suite 110
			San Diego, CA 92101


Guarantors have reviewed the Change in Terms Agreement dated June 27, 2018 (the "Agreement") and hereby consent to its execution by Borrower. Guarantors acknowledge and agree that: (a) The execution of the Agreement shall not impair, limit, abrogate or reduce in any manner or to any extent the obligations of Guarantors under the Guaranty; and (b) Lender would not enter into the Agreement without the execution and delivery of this consent. Guarantors acknowledge and agree that, notwithstanding the execution of the Agreement: (a) Guarantors remain liable under and pursuant to the Guaranty to the fullest extent as if the original provisions of the Related Documents were as reflected in the Related Documents as modified by the Agreement; (b) Each provision of the Guaranty remains unaffected and unchanged and in full force and effect; and (c) Guarantors hereby renew, reaffirm, ratify and confirm the Guaranty.

GUARANTOR:

By: Gina Champion-Cain
Gina Champion-Cain, Managing Member of ANI
Development, LLC, a California limited liability
company

PETERSON FAMILY TRUST DATED 4/14/92

By: Kim H. Peterson, Trustee of Peterson Family Trust
dated 4/14/92

X 
Gina Champion-Cain, Individually

THE GINA CHAMPION-CAIN REVOCABLE TRUST AGREEMENT DATED JUNE 26, 2012 AND AMENDED MARCH 23, 2015

By: Gina Champion-Cain, Trustee
Gina Champion-Cain, Trustee of The Gina
Champion-Cain Revocable Trust Agreement dated
June 26, 2012 and amended March 23, 2015

CHANGE IN TERMS - GUARANTOR ACKNOWLEDGMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	06-10-2019	52246			EAC	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: CalPrivate Bank
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

This Acknowledgment is attached to and by this reference is made a part of the Change in Terms Agreement, dated June 27, 2018 and executed in connection with a loan or other financial accommodations between CALPRIVATE BANK and ANI License Fund, LLC, a California limited liability company and Guarantors signing below.

Guarantors have reviewed the Change in Terms Agreement dated June 27, 2018 (the "Agreement") and hereby consent to its execution by Borrower. Guarantors acknowledge and agree that: (a) The execution of the Agreement shall not impair, limit, abrogate or reduce in any manner or to any extent the obligations of Guarantors under the Guaranty; and (b) Lender would not enter into the Agreement without the execution and delivery of this consent. Guarantors acknowledge and agree that, notwithstanding the execution of the Agreement: (a) Guarantors remain liable under and pursuant to the Guaranty to the fullest extent as if the original provisions of the Related Documents were as reflected in the Related Documents as modified by the Agreement; (b) Each provision of the Guaranty remains unaffected and unchanged and in full force and effect; and (c) Guarantors hereby renew, reaffirm, ratify and confirm the Guaranty.

This document may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same document.

GUARANTOR:

ANI DEVELOPMENT, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: Gina Champion-Cain, Managing Member of ANI Development, LLC, a California limited liability company

X Kim H. Peterson, Individually

PETERSON FAMILY TRUST DATED 4/14/92

By: Kim H. Peterson, Trustee of Peterson Family Trust dated 4/14/92

X Gina Champion-Cain, Individually

THE GINA CHAMPION-CAIN REVOCABLE TRUST AGREEMENT DATED JUNE 26, 2012 AND AMENDED MARCH 23, 2015

By: Gina Champion-Cain, Trustee of The Gina Champion-Cain Revocable Trust Agreement dated June 26, 2012 and amended March 23, 2015

ATTACHMENT 6

CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Cal / CCH	Account	Officer	Initials
\$12,500,000.00	09-09-2015	06-10-2020	52246	51 / 39		EAC	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: CalPrivate Bank
SDL-San Diego Lending
9404 Genesee Avenue, Suite 100
La Jolla, CA 92037

Principal Amount: \$12,500,000.00

Date of Agreement: June 21, 2019

DESCRIPTION OF EXISTING INDEBTEDNESS.

Promissory Note dated September 9, 2015 in the original Principal Amount of \$5,000,000.00 as modified by Change in Terms Agreement dated June 20, 2016 in the amount of \$7,500,000.00 and Change in Terms Agreements dated April 4, 2017, March 6, 2018 and June 27, 2018 in the Principal Amount of \$12,500,000.00, together with all renewals, extensions and modifications related thereto (the "Note").

DESCRIPTION OF COLLATERAL.

Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264001 (ANI License Fund, LLC) and Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264485 (ANI Development, LLC).

DESCRIPTION OF CHANGE IN TERMS.

Effective June 10, 2019, the Note is hereby modified as follows:

The date on which all outstanding principal is due and payable together with any accrued but unpaid interest (the "Maturity Date") is hereby extended from June 10, 2019 to June 10, 2020.

Interest method will change from 365/365 to 365/360, which will result in a change in monthly payment.

All other terms and conditions remain the same.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on June 10, 2020. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning July 10, 2019, with all subsequent interest payments to be due on the same day of each month after that.

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the U. S. Prime Rate as published in the Money Rates section of the Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute Index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 5.500% per annum. Interest on the unpaid principal balance of this loan will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 3.000 percentage points over the Index, resulting in an initial rate of 8.500%. NOTICE: Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this loan is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this loan is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in the loan documents.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

COUNTERPARTS. This document may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same document.

CHANGE IN TERMS - GUARANTOR ACKNOWLEDGEMENT. An acknowledgment titled "Change in Terms - Guarantor Acknowledgement" is attached to this Agreement and by this reference is made a part of this Agreement just as if all the provisions, terms and conditions of the acknowledgment had been fully set forth in this Agreement.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.


BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: Gina Champlon-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By: Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	06-10-2020	52246	51 / 39		EAC	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: CalPrivate Bank
SDL-San Diego Lending
9404 Genesee Avenue, Suite 100
La Jolla, CA 92037

Principal Amount: \$12,500,000.00

Date of Agreement: June 21, 2019

DESCRIPTION OF EXISTING INDEBTEDNESS.

Promissory Note dated September 9, 2015 in the original Principal Amount of \$5,000,000.00 as modified by Change In Terms Agreement dated June 20, 2016 in the amount of \$7,500,000.00 and Change In Terms Agreements dated April 4, 2017, March 6, 2018 and June 27, 2018 in the Principal Amount of \$12,500,000.00, together with all renewals, extensions and modifications related hereto (the "Note").

DESCRIPTION OF COLLATERAL.

Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264001 (ANI License Fund, LLC) and Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264485 (ANI Development, LLC).

DESCRIPTION OF CHANGE IN TERMS.

Effective June 10, 2019, the Note is hereby modified as follows:

The date on which all outstanding principal is due and payable together with any accrued but unpaid interest (the "Maturity Date") is hereby extended from June 10, 2019 to June 10, 2020.

Interest method will change from 365/365 to 365/360, which will result in a change in monthly payment.

All other terms and conditions remain the same.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on June 10, 2020. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning July 10, 2019, with all subsequent interest payments to be due on the same day of each month after that.

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the U. S. Prime Rate as published in the Money Rates section of the Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 5.500% per annum. Interest on the unpaid principal balance of this loan will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 3.000 percentage points over the Index, resulting in an initial rate of 8.500%. NOTICE: Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this loan is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this loan is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in the loan documents.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

COUNTERPARTS. This document may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same document.

CHANGE IN TERMS - GUARANTOR ACKNOWLEDGEMENT. An acknowledgment titled "Change in Terms - Guarantor Acknowledgement" is attached to this Agreement and by this reference is made a part of this Agreement just as if all the provisions, terms and conditions of the acknowledgment had been fully set forth in this Agreement.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 
Gina Champion-Cain, Manager of ANI License Fund,
LLC, a California limited liability company

By: 
Kim H. Peterson, Manager of ANI License Fund,
LLC, a California limited liability company

**CHANGE IN TERMS AGREEMENT
(Continued)**

Loan No: 52246

Page 2

LENDER:

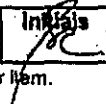
CALPRIVATE BANK

X

[Signature]
Authorized Signer

LenderPro, Ver. 18.2.0.242 Doc. Private USA Corporation 11/07, 2019. All Rights Reserved. - CA C:\WPL\W\CTPL\PL\DCRC\PO TR-2003 P15-1

CHANGE IN TERMS - GUARANTOR ACKNOWLEDGMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	06-10-2020	52246	51 / 39		EAC	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "-----" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: CalPrivate Bank
SDL-San Diego Lending
9404 Genesee Avenue, Suite 100
La Jolla, CA 92037


This Acknowledgment is attached to and by this reference is made a part of the Change in Terms Agreement, dated June 21, 2019 and executed in connection with a loan or other financial accommodations between CALPRIVATE BANK and ANI License Fund, LLC, a California limited liability company and Guarantors signing below.

Guarantors have reviewed the Change in Terms Agreement dated June 21, 2019 (the "Agreement") and hereby consent to its execution by Borrower. Guarantors acknowledge and agree that: (a) The execution of the Agreement shall not impair, limit, abrogate or reduce in any manner or to any extent the obligations of Guarantors under the Guaranty; and (b) Lender would not enter into the Agreement without the execution and delivery of this consent. Guarantors acknowledge and agree that, notwithstanding the execution of the Agreement: (a) Guarantors remain liable under and pursuant to the Guaranty to the fullest extent as if the original provisions of the Related Documents were as reflected in the Related Documents as modified by the Agreement; (b) Each provision of the Guaranty remains unaffected and unchanged and in full force and effect, and (c) Guarantors hereby renew, reaffirm, ratify and confirm the Guaranty.

This document may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same document.

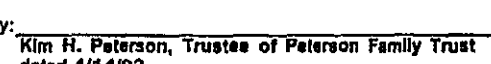
GUARANTOR:

ANI DEVELOPMENT, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 
Gina Champion-Cain, Managing Member of ANI Development, LLC, a California limited liability company


X 
Kim H. Peterson, Individually

PETERSON FAMILY TRUST DATED 4/14/92

By: 
Kim H. Peterson, Trustee of Peterson Family Trust dated 4/14/92

X 
Gina Champion-Cain, Individually

THE GINA CHAMPION-CAIN REVOCABLE TRUST AGREEMENT DATED JUNE 26, 2012 AND AMENDED MARCH 23, 2015

By: 
Gina Champion-Cain, Trustee of The Gina Champion-Cain Revocable Trust Agreement dated June 26, 2012 and amended March 23, 2015

CHANGE IN TERMS - GUARANTOR ACKNOWLEDGMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	06-10-2020	52246	51/39		EAC	[Signature]

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: CalPrivate Bank
SDL-San Diego Lending
9404 Genesee Avenue, Suite 100
La Jolla, CA 92037

This Acknowledgment is attached to and by this reference is made a part of the Change in Terms Agreement, dated June 21, 2019 and executed in connection with a loan or other financial accommodations between CALPRIVATE BANK and ANI License Fund, LLC, a California limited liability company and Guarantors signing below.

Guarantors have reviewed the Change in Terms Agreement dated June 21, 2019 (the "Agreement") and hereby consent to its execution by Borrower. Guarantors acknowledge and agree that: (a) The execution of the Agreement shall not impair, limit, abrogate or reduce in any manner or to any extent the obligations of Guarantors under the Guaranty; and (b) Lender would not enter into the Agreement without the execution and delivery of this consent. Guarantors acknowledge and agree that, notwithstanding the execution of the Agreement: (a) Guarantors remain liable under and pursuant to the Guaranty to the fullest extent as if the original provisions of the Related Documents were as reflected in the Related Documents as modified by the Agreement; (b) Each provision of the Guaranty remains unaffected and unchanged and in full force and effect; and (c) Guarantors hereby renew, reaffirm, ratify and confirm the Guaranty.

This document may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same document.

GUARANTOR:

ANI DEVELOPMENT, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: Gina Champion-Cain, Managing Member of ANI Development, LLC, a California Limited liability company

X Kim H. Peterson, Individually

PETERSON FAMILY TRUST DATED 4/14/92

By: Kim H. Peterson, Trustee of Peterson Family Trust dated 4/14/92

X Gina Champion-Cain, Individually

THE GINA CHAMPION-CAIN REVOCABLE TRUST AGREEMENT DATED JUNE 26, 2012 AND AMENDED MARCH 23, 2015

By: Gina Champion-Cain, Trustee of The Gina Champion-Cain Revocable Trust Agreement dated June 26, 2012 and amended March 23, 2015

ATTACHMENT 7

COMMERCIAL SECURITY AGREEMENT

Principal	Loan Date	Maturity	Loan No.	Call / Coll.	Account	Officer	Initials
\$5,000,000.00	09-09-2015	03-10-2017	52246			PA	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Grantor: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

THIS COMMERCIAL SECURITY AGREEMENT dated September 9, 2015, is made and executed between ANI License Fund, LLC, a California limited liability company ("Grantor") and SAN DIEGO PRIVATE BANK ("Lender").

GRANT OF SECURITY INTEREST. For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

COLLATERAL DESCRIPTION. The word "Collateral" as used in this Agreement means the following described property, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located, in which Grantor is giving to Lender a security interest for the payment of the indebtedness and performance of all other obligations under the Note and this Agreement:

All present and future right, title and interest of Debtor/Grantor in and to, without limitation, all: personal and fixture property of every kind and nature including without limitation all goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts (including health care insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter of credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to the payment of money, insurance claims and proceeds, tort claims, and all general intangibles including, without limitation, all payment intangibles, patents, patent applications, trademarks, trademark applications, trade names, copyrights, copyright applications, software, engineering drawings, service marks, customer lists, goodwill, and all licenses, permits, agreements of any kind or nature pursuant to which the Debtor possesses, uses or has authority to possess or use property (whether tangible or intangible) of others or others possess, use or have authority to possess or use property (whether tangible or intangible) of the Debtor, and all recorded data of any kind or nature, regardless of the medium of recording including, without limitation, all software, writings, plans, specifications and schematics. With respect to any term used herein that is defined in either (i) Article 9 of the Uniform Commercial Code as in force in the jurisdiction in which this security agreement was signed by the Debtor at the time that it was signed, or (ii) Article 9 as in force at any relevant time in the jurisdiction in which the financing statement is filed, the meaning to be ascribed thereto with respect to any particular item of property shall be that under the more encompassing of the two definitions.

In addition, the word "Collateral" also includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

- (A) All accessions, attachments, accessories, replacements of and additions to any of the collateral described herein, whether added now or later.
- (B) All products and produce of any of the property described in this Collateral section.
- (C) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, consignment or other disposition of any of the property described in this Collateral section.
- (D) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process.
- (E) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Grantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Grantor holds jointly with someone else and all accounts Grantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Grantor authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts.

GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL. With respect to the Collateral, Grantor represents and promises to Lender that:

Perfection of Security Interest. Grantor agrees to take whatever actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper and instruments if not delivered to Lender for possession by Lender. This is a continuing Security Agreement and will continue in effect even though all or any part of the indebtedness is paid in full and even though for a period of time Grantor may not be indebted to Lender.

Notices to Lender. Grantor will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name; (2) change in Grantor's assumed business name(s); (3) change in the management or in the members or managers of the limited liability company Grantor; (4) change in the authorized signar(s); (5) change in Grantor's principal office address; (6) change in Grantor's state of organization; (7) conversion of Grantor to a new or different type of business entity; or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender. No change in Grantor's name or state of organization will take effect until after Lender has received notice.

No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its membership agreement does not prohibit any term or condition of this Agreement.

Enforceability of Collateral. To the extent the Collateral consists of accounts, chattel paper, or general intangibles, as defined by the Uniform Commercial Code, the Collateral is enforceable in accordance with its terms, is genuine, and fully complies with all applicable laws.

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

Loan No: 52246

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and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. There shall be no setoffs or counterclaims against any of the Collateral, and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Collateral except those disclosed to Lender in writing.

Location of the Collateral. Except in the ordinary course of Grantor's business, Grantor agrees to keep the Collateral at Grantor's address shown above or at such other locations as are acceptable to Lender. Upon Lender's request, Grantor will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the following: (1) all real property Grantor owns or is purchasing; (2) all real property Grantor is renting or leasing; (3) all storage facilities Grantor owns, rents, leases, or uses; and (4) all other properties where Collateral is or may be located.

Removal of the Collateral. Except in the ordinary course of Grantor's business, Grantor shall not remove the Collateral from its existing location without Lender's prior written consent. Grantor shall, whenever requested, advise Lender of the exact location of the Collateral.

Transactions Involving Collateral. Except for inventory sold or accounts collected in the ordinary course of Grantor's business, or as otherwise provided for in this Agreement, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

Title. Grantor represents and warrants to Lender that Grantor holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

Repairs and Maintenance. Grantor agrees to keep and maintain, and to cause others to keep and maintain, the Collateral in good order, repair and condition at all times while this Agreement remains in effect. Grantor further agrees to pay when due all claims for work done on, or services rendered or material furnished in connection with the Collateral so that no lien or encumbrance may ever attach to or be filed against the Collateral.

Inspection of Collateral. Lender and Lender's designated representatives and agents shall have the right at all reasonable times to examine and inspect the Collateral wherever located.

Taxes, Assessments and Liens. Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the indebtedness, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings. Grantor further agrees to furnish Lender with evidence that such taxes, assessments, and governmental and other charges have been paid in full and in a timely manner. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized.

Compliance with Governmental Requirements. Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral, including all laws or regulations relating to the undue erosion of highly-erodible land or relating to the conversion of wetlands for the production of an agricultural product or commodity. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

Hazardous Substances. Grantor represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used in violation of any Environmental Laws or for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any Hazardous Substance. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Collateral for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any Environmental Laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify and defend shall survive the payment of the indebtedness and the satisfaction of this Agreement.

Maintenance of Casualty Insurance. Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such a notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest, Grantor will provide Lender with such loss payable or other endorsements as Lender may require. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if Lender so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

Application of Insurance Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Collateral, whether or not such casualty or loss is covered by insurance. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the indebtedness.

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

Loan No: 52246

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Insurance Reserves. Lender may require Grantor to maintain with Lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit and shall constitute a non-interest-bearing account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

Insurance Reports. Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured; (5) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (6) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

Financing Statements. Grantor authorizes Lender to file a UCC financing statement, or alternatively, a copy of this Agreement to perfect Lender's security interest. At Lender's request, Grantor additionally agrees to sign all other documents that are necessary to perfect, protect, and continue Lender's security interest in the Property. Grantor will pay all filing fees, title transfer fees, and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs. Grantor irrevocably appoints Lender to execute documents necessary to transfer title if there is a default. Lender may file a copy of this Agreement as a financing statement.

GRANTOR'S RIGHT TO POSSESSION. Until default, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the Indebtedness.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Agreement or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Collateral and paying all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Default in Favor of Third Parties. Any guarantor or Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of any guarantor's or Grantor's property or ability to perform their respective obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The dissolution of Grantor (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Grantor's existence as a going business or the death of any member, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any collateral securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or Guarantor dies or becomes incompetent or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Cure Provisions. If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Agreement within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Grantor demanding cure of such default: (1) cures the default within ten (10) days; or (2) if the cure requires more than ten (10) days,

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

Loan No: 52246

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immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the California Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

Accelerate Indebtedness. Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice of any kind to Grantor.

Assemble Collateral. Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

Sell the Collateral. Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in Lender's own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor, and other persons as required by law, reasonable notice of the time and place of any public sale, or the time after which any private sale or any other disposition of the Collateral is to be made. However, no notice need be provided to any person who, after Event of Default occurs, enters into and authenticates an agreement waiving that person's right to notification of sale. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Collateral, with the power to protect and preserve the Collateral, to operate the Collateral preceding foreclosure or sale, and to collect the rents from the Collateral and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Collateral exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Collect Revenues, Apply Accounts. Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in Lender's discretion transfer any Collateral into Lender's own name or that of Lender's nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not Indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

Obtain Deficiency. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Grantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

Other Rights and Remedies. Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

Election of Remedies. Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement, the Related Documents, or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Grantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of California.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of San Diego County, State of California.

Preference Payments. Any monies Lender pays because of an asserted preference claim in Grantor's bankruptcy will become a part of the Indebtedness and, at Lender's option, shall be payable by Grantor as provided in this Agreement.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to

**COMMERCIAL SECURITY AGREEMENT
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demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

Power of Attorney. Grantor hereby appoints Lender as Grantor's Irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect, amend, or to continue the security interest granted in this Agreement or to demand termination of filings of other secured parties. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral.

Waiver of Co-Obligor's Rights. If more than one person is obligated for the indebtedness, Grantor irrevocably waives, disclaims and relinquishes all claims against such other person which Grantor has or would otherwise have by virtue of payment of the indebtedness or any part thereof, specifically including but not limited to all rights of indemnity, contribution or exoneration.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Successors and Assigns. Subject to any limitations stated in this Agreement on transfer of Grantor's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Agreement and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Agreement or liability under the indebtedness.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Agreement shall survive the execution and delivery of this Agreement, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's indebtedness shall be paid in full.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

Agreement. The word "Agreement" means this Commercial Security Agreement, as this Commercial Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Commercial Security Agreement from time to time.

Borrower. The word "Borrower" means ANI License Fund, LLC, a California limited liability company and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all of Grantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

Default. The word "Default" means the Default set forth in this Agreement in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., Chapters 6.5 through 7.7 of Division 20 of the California Health and Safety Code, Section 25100, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

Grantor. The word "Grantor" means ANI License Fund, LLC, a California limited liability company.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means SAN DIEGO PRIVATE BANK, its successors and assigns.

Note. The word "Note" means the Note dated September 9, 2015 and executed by ANI License Fund, LLC, a California limited liability

**COMMERCIAL SECURITY AGREEMENT
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company in the principal amount of \$5,000,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Collateral Description" section of this Agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

GRANTOR HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED SEPTEMBER 9, 2015.

GRANTOR:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 
Gina Champion-Cain, Manager of ANI License Fund,
LLC, a California limited liability company

By: 
Kim H. Peterson, Manager of ANI License Fund,
LLC, a California limited liability company

ATTACHMENT 8

COMMERCIAL SECURITY AGREEMENT

Principal	Loan Date	Maturity	Loan No.	Coll./Coll.	Account	Office	Initials
\$5,000,000.00	09-09-2015	03-10-2017	52246			PA	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

Grantor: ANI Development, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

THIS COMMERCIAL SECURITY AGREEMENT dated September 9, 2015, is made and executed among ANI Development, LLC, a California limited liability company ("Grantor"); ANI License Fund, LLC, a California limited liability company ("Borrower"); and SAN DIEGO PRIVATE BANK ("Lender").

GRANT OF SECURITY INTEREST. For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

COLLATERAL DESCRIPTION. The word "Collateral" as used in this Agreement means the following described property, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located, in which Grantor is giving to Lender a security interest for the payment of the indebtedness and performance of all other obligations under the Note and this Agreement:

All present and future right, title and interest of Debtor/Grantor in and to, without limitation, all: personal and fixture property of every kind and nature including without limitation all goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts (including health care insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter of credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to the payment of money, insurance claims and proceeds, tort claims, and all general intangibles including, without limitation, all payment intangibles, patents, patent applications, trademarks, trademark applications, trade names, copyrights, copyright applications, software, engineering drawings, service marks, customer lists, goodwill, and all licenses, permits, agreements of any kind or nature pursuant to which the Debtor possesses, uses or has authority to possess or use property (whether tangible or intangible) of others or others possess, use or have authority to possess or use property (whether tangible or intangible) of the Debtor, and all recorded data of any kind or nature, regardless of the medium of recording including, without limitation, all software, writings, plans, specifications and schematics. With respect to any term used herein that is defined in either (i) Article 9 of the Uniform Commercial Code as in force in the jurisdiction in which this security agreement was signed by the Debtor at the time that it was signed, or (ii) Article 9 as in force at any relevant time in the jurisdiction in which the financing statement is filed, the meaning to be ascribed thereto with respect to any particular item of property shall be that under the more encompassing of the two definitions.

In addition, the word "Collateral" also includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

- (A) All accessions, attachments, accessories, replacements of and additions to any of the collateral described herein, whether added now or later.
- (B) All products and produce of any of the property described in this Collateral section.
- (C) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, consignment or other disposition of any of the property described in this Collateral section.
- (D) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process.
- (E) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

BORROWER'S WAIVERS AND RESPONSIBILITIES. Except as otherwise required under this Agreement or by applicable law, (A) Borrower agrees that Lender need not tell Borrower about any action or inaction Lender takes in connection with this Agreement; (B) Borrower assumes the responsibility for being and keeping informed about the Collateral; and (C) Borrower waives any defenses that may arise because of any action or inaction of Lender, including without limitation any failure of Lender to realize upon the Collateral or any delay by Lender in realizing upon the Collateral; and Borrower agrees to remain liable under the Note no matter what action Lender takes or fails to take under this Agreement.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that: (A) this Agreement is executed at Borrower's request and not at the request of Lender; (B) Grantor has the full right, power and authority to enter into this Agreement and to pledge the Collateral to Lender; (C) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (D) Lender has made no representation to Grantor about Borrower or Borrower's creditworthiness.

GRANTOR'S WAIVERS. Except as prohibited by applicable law, Grantor waives any right to require Lender to (A) make any presentment, protest, demand, or notice of any kind, including notice of change of any terms of repayment of the indebtedness, default by Borrower or any other guarantor or surety, any action or nonaction taken by Borrower, Lender, or any other guarantor or surety of Borrower, or the creation of new or additional indebtedness; (B) proceed against any person, including Borrower, before proceeding against Grantor; (C) proceed against any collateral for the indebtedness, including Borrower's collateral, before proceeding against Grantor; (D) apply any payments or proceeds received against the indebtedness in any order; (E) give notice of the terms, time, and place of any sale of any collateral pursuant to the Uniform Commercial Code or any other law governing such sale; (F) disclose any information about the indebtedness, the Borrower, any collateral, or any other guarantor or surety, or about any action or nonaction of Lender; or (G) pursue any remedy or course of action in

**COMMERCIAL SECURITY AGREEMENT
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Lender's power whatsoever.

Grantor also waives any and all rights or defenses arising by reason of (A) any disability or other defense of Borrower, any other guarantor or surety or any other person; (B) the cessation from any cause whatsoever, other than payment in full, of the indebtedness; (C) the application of proceeds of the indebtedness by Borrower for purposes other than the purposes understood and intended by Grantor and Lender; (D) any act of omission or commission by Lender which directly or indirectly results in or contributes to the discharge of Borrower or any other guarantor or surety, or the indebtedness, or the loss or release of any collateral by operation of law or otherwise; (E) any statute of limitations in any action under this Agreement or on the indebtedness; or (F) any modification or change in terms of the indebtedness, whatsoever, including without limitation, the renewal, extension, acceleration, or other change in the time payment of the indebtedness is due and any change in the interest rate.

Grantor waives all rights and defenses arising out of an election of remedies by Lender even though that election of remedies, such as a non-judicial foreclosure with respect to security for a guaranteed obligation, has destroyed Grantor's rights of subrogation and reimbursement against Borrower by operation of Section 580d of the California Code of Civil Procedure or otherwise.

Grantor waives all rights and defenses that Grantor may have because Borrower's obligation is secured by real property. This means among other things: (1) Lender may collect from Grantor without first foreclosing on any real property collateral pledged by Borrower; and (2) If Lender forecloses on any real property collateral pledged by the Borrower: (A) The amount of the Borrower's obligation may be reduced only by the price for which the collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price; (B) The Lender may collect from the Grantor even if the Lender, by foreclosing on the real property collateral, has destroyed any right the Grantor may have to collect from the borrower. This is an unconditional and irrevocable waiver of any rights and defenses the Grantor may have because the Borrower's obligation is secured by real property. These rights and defenses include, but are not limited to, any rights and defenses based upon Sections 580a, 580b, 580d, or 726 of the Code of Civil Procedure.

Grantor understands and agrees that the foregoing waivers are unconditional and irrevocable waivers of substantive rights and defenses to which Grantor might otherwise be entitled under state and federal law. The rights and defenses waived include, without limitation, those provided by California laws of suretyship and guaranty, anti-deficiency laws, and the Uniform Commercial Code. Grantor further understands and agrees that this Agreement is a separate and independent contract between Grantor and Lender, given for full and ample consideration, and is enforceable on its own terms. Grantor acknowledges that Grantor has provided these waivers of rights and defenses with the intention that they be fully relied upon by Lender. Until all indebtedness is paid in full, Grantor waives any right to enforce any remedy Grantor may have against Borrower or any other guarantor, surety, or other person, and further, Grantor waives any right to participate in any collateral for the indebtedness now or hereafter held by Lender.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Grantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Grantor holds jointly with someone else and all accounts Grantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Grantor authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts.

GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL. With respect to the Collateral, Grantor represents and promises to Lender that:

Perfection of Security Interest. Grantor agrees to take whatever actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper and instruments if not delivered to Lender for possession by Lender. This is a continuing Security Agreement and will continue in effect even though all or any part of the indebtedness is paid in full and even though for a period of time Borrower may not be indebted to Lender.

Notices to Lender. Grantor will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name; (2) change in Grantor's assumed business name(s); (3) change in the management or in the members or managers of the limited liability company Grantor; (4) change in the authorized signor(s); (5) change in Grantor's principal office address; (6) change in Grantor's state of organization; (7) conversion of Grantor to a new or different type of business entity; or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender. No change in Grantor's name or state of organization will take effect until after Lender has received notice.

No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its membership agreement does not prohibit any term or condition of this Agreement.

Enforceability of Collateral. To the extent the Collateral consists of accounts, chattel paper, or general intangibles, as defined by the Uniform Commercial Code, the Collateral is enforceable in accordance with its terms, is genuine, and fully complies with all applicable laws and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. There shall be no setoffs or counterclaims against any of the Collateral, and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Collateral except those disclosed to Lender in writing.

Location of the Collateral. Except in the ordinary course of Grantor's business, Grantor agrees to keep the Collateral at Grantor's address shown above or at such other locations as are acceptable to Lender. Upon Lender's request, Grantor will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the following: (1) all real property Grantor owns or is purchasing; (2) all real property Grantor is renting or leasing; (3) all storage facilities Grantor owns, rents, leases, or uses; and (4) all other properties where Collateral is or may be located.

Removal of the Collateral. Except in the ordinary course of Grantor's business, Grantor shall not remove the Collateral from its existing location without Lender's prior written consent. Grantor shall, whenever requested, advise Lender of the exact location of the Collateral.

Transactions Involving Collateral. Except for inventory sold or accounts collected in the ordinary course of Grantor's business, or as otherwise provided for in this Agreement, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

Title. Grantor represents and warrants to Lender that Grantor holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public

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office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

Repairs and Maintenance. Grantor agrees to keep and maintain, and to cause others to keep and maintain, the Collateral in good order, repair and condition at all times while this Agreement remains in effect. Grantor further agrees to pay when due all claims for work done on, or services rendered or material furnished in connection with the Collateral so that no lien or encumbrance may ever attach to or be filed against the Collateral.

Inspection of Collateral. Lender and Lender's designated representatives and agents shall have the right at all reasonable times to examine and inspect the Collateral wherever located.

Taxes, Assessments and Liens. Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the indebtedness, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings. Grantor further agrees to furnish Lender with evidence that such taxes, assessments, and governmental and other charges have been paid in full and in a timely manner. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized.

Compliance with Governmental Requirements. Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral, including all laws or regulations relating to the undue erosion of highly-erodible land or relating to the conversion of wetlands for the production of an agricultural product or commodity. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

Hazardous Substances. Grantor represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used in violation of any Environmental Laws or for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any Hazardous Substance. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Collateral for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any Environmental Laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify and defend shall survive the payment of the indebtedness and the satisfaction of this Agreement.

Maintenance of Casualty Insurance. Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such a notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest, Grantor will provide Lender with such loss payable or other endorsements as Lender may require. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if Lender so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

Application of Insurance Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Collateral, whether or not such casualty or loss is covered by insurance. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the indebtedness.

Insurance Reserves. Lender may require Grantor to maintain with Lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit and shall constitute a non-interest-bearing account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

Insurance Reports. Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured; (5) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (6) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

Financing Statements. Grantor authorizes Lender to file a UCC financing statement, or alternatively, a copy of this Agreement to perfect Lender's security interest. At Lender's request, Grantor additionally agrees to sign all other documents that are necessary to perfect, protect, and continue Lender's security interest in the Property. Grantor will pay all filing fees, title transfer fees, and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs. Grantor irrevocably appoints Lender to execute documents necessary to transfer title if there is a default. Lender may file a copy of this Agreement as a financing statement.

GRANTOR'S RIGHT TO POSSESSION. Until default, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to

COMMERCIAL SECURITY AGREEMENT (Continued)

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possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the Indebtedness.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Agreement or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Collateral and paying all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Payment Default. Borrower fails to make any payment when due under the Indebtedness.

Other Defaults. Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower or Grantor.

Default in Favor of Third Parties. Borrower, any guarantor or Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's, any guarantor's or Grantor's property or ability to perform their respective obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or Grantor or on Borrower's or Grantor's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The dissolution of Grantor (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Borrower's or Grantor's existence as a going business or the death of any member, the insolvency of Borrower or Grantor, the appointment of a receiver for any part of Borrower's or Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or Grantor or by any governmental agency against any collateral securing the Indebtedness. This includes a garnishment of any of Borrower's or Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower or Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower or Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or Guarantor dies or becomes incompetent or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Borrower's or Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Cure Provisions. If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Agreement within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within ten (10) days; or (2) if the cure requires more than ten (10) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the California Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

Accelerate Indebtedness. Lender may declare the entire Indebtedness, including any prepayment penalty which Borrower would be required to pay, immediately due and payable, without notice of any kind to Borrower or Grantor.

Assemble Collateral. Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

Sell the Collateral. Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in Lender's own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor, and other persons as required by law, reasonable notice of the time and place of any public sale, or the time after which any private sale or any other disposition of the Collateral is to be made. However, no notice need be provided to any person who, after Event of Default occurs, enters into and authenticates an agreement waiving that person's right to notification of sale. The requirements of reasonable notice shall be met if such notice is given at

**COMMERCIAL SECURITY AGREEMENT
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least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Collateral, with the power to protect and preserve the Collateral, to operate the Collateral preceding foreclosure or sale, and to collect the rents from the Collateral and apply the proceeds, over and above the cost of the receivership, against the indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Collateral exceeds the indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Collect Revenues, Apply Accounts. Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in Lender's discretion transfer any Collateral into Lender's own name or that of Lender's nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the indebtedness or apply it to payment of the indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

Obtain Deficiency. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Borrower for any deficiency remaining on the indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Borrower shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

Other Rights and Remedies. Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

Election of Remedies. Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement, the Related Documents, or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Grantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of California.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of San Diego County, State of California.

Joint and Several Liability. All obligations of Borrower and Grantor under this Agreement shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Borrower and Grantor signing below is responsible for all obligations in this Agreement. Where any one or more of the parties is a corporation, partnership, limited liability company or similar entity, it is not necessary for Lender to inquire into the powers of any of the officers, directors, partners, members, or other agents acting or purporting to act on the entity's behalf, and any obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Agreement.

Preference Payments. Any monies Lender pays because of an asserted preference claim in Borrower's or Grantor's bankruptcy will become a part of the indebtedness and, at Lender's option, shall be payable by Borrower and Grantor as provided in this Agreement.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

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Power of Attorney. Grantor hereby appoints Lender as Grantor's irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect, amend, or to continue the security interest granted in this Agreement or to demand termination of filings of other secured parties. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral.

Waiver of Co-Obligor's Rights. If more than one person is obligated for the Indebtedness, Grantor irrevocably waives, disclaims and relinquishes all claims against such other person which Grantor has or would otherwise have by virtue of payment of the Indebtedness or any part thereof, specifically including but not limited to all rights of indemnity, contribution or exoneration.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Successors and Assigns. Subject to any limitations stated in this Agreement on transfer of Grantor's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Agreement and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Agreement or liability under the Indebtedness.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Agreement shall survive the execution and delivery of this Agreement, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's Indebtedness shall be paid in full.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

Agreement. The word "Agreement" means this Commercial Security Agreement, as this Commercial Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Commercial Security Agreement from time to time.

Borrower. The word "Borrower" means ANI License Fund, LLC, a California limited liability company and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all of Grantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

Default. The word "Default" means the Default set forth in this Agreement in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., Chapters 6.5 through 7.7 of Division 20 of the California Health and Safety Code, Section 25100, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

Grantor. The word "Grantor" means ANI Development, LLC, a California limited liability company.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means SAN DIEGO PRIVATE BANK, its successors and assigns.

Note. The word "Note" means the Note dated September 9, 2015 and executed by ANI License Fund, LLC, a California limited liability company in the principal amount of \$5,000,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Collateral Description" section of this Agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

BORROWER AND GRANTOR HAVE READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT AND AGREE TO ITS TERMS. THIS AGREEMENT IS DATED SEPTEMBER 9, 2015.

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

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GRANTOR:

ANI DEVELOPMENT, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 

Gina Champion-Cain, Managing Member of ANI Development, LLC, a California limited liability company

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 

Gina Champion-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By: 

Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

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UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) DEBORAH L. KEENEY 858-875-6911	
B. E-MAIL CONTACT AT FILER (optional)	
C. SEND ACKNOWLEDGMENT TO: (Name and Address) San Diego Private Bank 9404 Genesee Avenue, Suite 100 La Jolla, CA 92037 USA	

DOCUMENT NUMBER: 50916540002
FILING NUMBER: 15-7484264001
FILING DATE: 09/10/2015 10:00

IMAGE GENERATED ELECTRONICALLY FOR WEB FILING
THE ABOVE SPACE IS FOR CA FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

OR	1a. ORGANIZATION'S NAME ANI License Fund, LLC				
	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
1c. MAILING ADDRESS 3515 Hancock Street, Suite 200		CITY San Diego	STATE CA	POSTAL CODE 92110	COUNTRY USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

OR	2a. ORGANIZATION'S NAME				
	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

OR	3a. ORGANIZATION'S NAME San Diego Private Bank				
	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
3c. MAILING ADDRESS 550 West C Street, Suite 110		CITY San Diego	STATE CA	POSTAL CODE 92101	COUNTRY USA

4. COLLATERAL: This financing statement covers the following collateral:

All present and future right, title and interest of Debtor/Grantor in and to, without limitation, all: personal and fixture property of every kind and nature including without limitation all goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts (including health care insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter of credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to the payment of money, insurance claims and proceeds, tort claims, and all general intangibles including, without limitation, all payment intangibles, patents, patent applications, trademarks, trademark applications, trade names, copyrights, copyright applications, software, engineering drawings, service marks, customer lists, goodwill, and all licenses, permits, agreements of any kind or nature pursuant to which the Debtor possesses, uses or has authority to possess or use property (whether tangible or intangible) of others or

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:

☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

FILING OFFICE COPY

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UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because individual Debtor name did not fit, check here <input type="checkbox"/>					
OR	9a. ORGANIZATION'S NAME ANI License Fund, LLC				
	9b. INDIVIDUAL'S SURNAME				
	FIRST PERSONAL NAME				
ADDITIONAL NAME(S)/INITIAL(S)				SUFFIX	
DOCUMENT NUMBER: 50916540002 IMAGE GENERATED ELECTRONICALLY FOR WEB FILING THE ABOVE SPACE IS FOR CA FILING OFFICE USE ONLY					
10. DEBTOR'S NAME: Provide (10a or 10b) only <u>one</u> additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c					
OR	10a. ORGANIZATION'S NAME				
	10b. INDIVIDUAL'S SURNAME				
	INDIVIDUAL'S FIRST PERSONAL NAME				
	INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)				
				SUFFIX	
10c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
11. <input type="checkbox"/> ADDITIONAL SECURED PARTY'S NAME or <input type="checkbox"/> ASSIGNOR SECURED PARTY'S NAME: Provide only <u>one</u> name (11a or 11b)					
OR	11a. ORGANIZATION'S NAME				
	11b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
12. ADDITIONAL SPACE FOR ITEM 4 (collateral): others possess, use or have authority to possess or use property (whether tangible or intangible) of the Debtor, and all recorded data of any kind or nature, regardless of the medium of recording including, without limitation, all software, writings, plans, specifications and schematics. With respect to any term used herein that is defined in either (i) Article 9 of the Uniform Commercial Code as in force in the jurisdiction in which this security agreement was signed by the Debtor at the time that it was signed, or (ii) Article 9 as in force at any relevant time in the jurisdiction in which the financing statement is filed, the meaning to be ascribed thereto with respect to any particular item of property shall be that under the more encompassing of the two definitions					
13. <input type="checkbox"/> This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS (if applicable)		14. This FINANCING STATEMENT: <input type="checkbox"/> covers timber to be cut <input type="checkbox"/> covers as-extracted collateral <input type="checkbox"/> is filed as a fixture filing			
15. Name and address of RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):		16. Description of real estate:			
17. MISCELLANEOUS:					

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UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) DEBORAH L. KEENEY 858-875-6911
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address) San Diego Private Bank 9404 Genesee Avenue, Suite 100 La Jolla, CA 92037 USA

DOCUMENT NUMBER: 50916540003
FILING NUMBER: 15-7484264485
FILING DATE: 09/10/2015 10:07

IMAGE GENERATED ELECTRONICALLY FOR WEB FILING
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1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

OR	1a. ORGANIZATION'S NAME ANI Development, LLC				
	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
1c. MAILING ADDRESS 3515 Hancock Street, Suite 200		CITY San Diego	STATE CA	POSTAL CODE 92110	COUNTRY USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

OR	2a. ORGANIZATION'S NAME				
	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

OR	3a. ORGANIZATION'S NAME San Diego Private Bank				
	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
3c. MAILING ADDRESS 550 West C Street, Suite 110		CITY San Diego	STATE CA	POSTAL CODE 92110	COUNTRY USA

4. COLLATERAL: This financing statement covers the following collateral:

All present and future right, title and interest of Debtor/Grantor in and to, without limitation, all: personal and fixture property of every kind and nature including without limitation all goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts (including health care insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter of credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to the payment of money, insurance claims and proceeds, tort claims, and all general intangibles including, without limitation, all payment intangibles, patents, patent applications, trademarks, trademark applications, trade names, copyrights, copyright applications, software, engineering drawings, service marks, customer lists, goodwill, and all licenses, permits, agreements of any kind or nature pursuant to which the Debtor possesses, uses or has authority to possess or use property (whether tangible or intangible) of others or

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:

☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensors

8. OPTIONAL FILER REFERENCE DATA:

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Page 2

UCC FINANCING STATEMENT ADDENDUM**FOLLOW INSTRUCTIONS**

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because individual Debtor name did not fit, check here ☐

OR	9a. ORGANIZATION'S NAME ANI Development, LLC	
	9b. INDIVIDUAL'S SURNAME	
	FIRST PERSONAL NAME	
	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

DOCUMENT NUMBER: 50916540003

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10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

OR	10a. ORGANIZATION'S NAME				
	10b. INDIVIDUAL'S SURNAME				
	INDIVIDUAL'S FIRST PERSONAL NAME				
	INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)				
				SUFFIX	
10c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

11. ☐ ADDITIONAL SECURED PARTY'S NAME or ☐ ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

OR	11a. ORGANIZATION'S NAME				
	11b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (collateral):

others possess, use or have authority to possess or use property (whether tangible or intangible) of the Debtor, and all recorded data of any kind or nature, regardless of the medium of recording including, without limitation, all software, writings, plans, specifications and schematics. With respect to any term used herein that is defined in either (i) Article 9 of the Uniform Commercial Code as in force in the jurisdiction in which this security agreement was signed by the Debtor at the time that it was signed, or (ii) Article 9 as in force at any relevant time in the jurisdiction in which the financing statement is filed, the meaning to be ascribed thereto with respect to any particular item of property shall be that under the more encompassing of the two definitions

13. <input type="checkbox"/> This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)	14. This FINANCING STATEMENT: <input type="checkbox"/> covers timber to be cut <input type="checkbox"/> covers as-extracted collateral <input type="checkbox"/> is filed as a fixture filing.
15. Name and address of RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):	16. Description of real estate:

17. MISCELLANEOUS:

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EXHIBIT G

EXHIBIT G

CALPRIVATE BANK
Loan Transaction History - Loan 52246 - ANI LICENSE FUND LLC
Start date: 09/10/2015 thru End date: 07/28/2020
July 28, 2020

Code	Description	Transaction date	Post date	Transaction	Principal	Interest	Late charges	Balance	Group	Payment due	Interest due
424	SINGLE REG PAY/EXCESS-PRIN	08/12/2019	08/12/2019	-91,310.07	0.00	-91,310.07	0.00	12,475,000.00	1		08/10/2019
424	SINGLE REG PAY/EXCESS-PRIN	07/10/2019	07/10/2019	-84,347.68	0.00	-84,347.68	0.00	12,475,000.00	1		07/10/2019
AJD	INTEREST ADJUSTMENT DEBIT	06/26/2019	06/26/2019	549.76	0.00	549.76	0.00	12,475,000.00	1		
411	Adv #061 Ln #52246	06/25/2019	06/25/2019	2,450,000.00	2,450,000.00	0.00	0.00	12,475,000.00	1		
400	Int. due to 6/10/19	06/24/2019	06/24/2019	-89,360.62	0.00	-89,360.62	0.00	10,025,000.00	1		
LCW	LATE CHARGE WAIVED	06/24/2019	06/24/2019	-753,861.64	0.00	0.00	-753,861.64	10,025,000.00	0	06/10/2019	
LCA	LATE CHARGE ASSESSED	06/20/2019	06/20/2019	753,861.64	0.00	0.00	753,861.64	10,025,000.00	0	06/10/2019	
412	Escw 475526 Miloradovitch	06/18/2019	06/19/2019	-375,000.00	-375,000.00	0.00	0.00	10,025,000.00	3		
AJC	INTEREST ADJUSTMENT CREDIT	06/18/2019	06/19/2019	-87.33	0.00	-87.33	0.00	10,400,000.00	3		
412	Escw 474754 Schultz	06/18/2019	06/19/2019	-200,000.00	-200,000.00	0.00	0.00	10,400,000.00	2		
AJC	INTEREST ADJUSTMENT CREDIT	06/18/2019	06/19/2019	-46.58	0.00	-46.58	0.00	10,600,000.00	2		
412	Escw 476509 Simon	06/18/2019	06/19/2019	-200,000.00	-200,000.00	0.00	0.00	10,600,000.00	1		
AJC	INTEREST ADJUSTMENT CREDIT	06/18/2019	06/19/2019	-46.58	0.00	-46.58	0.00	10,800,000.00	1		
412	Escrow # 475563 Franke	06/18/2019	06/18/2019	-175,000.00	-175,000.00	0.00	0.00	10,800,000.00	7		
412	Escrow # 388876 Banke	06/18/2019	06/18/2019	-275,000.00	-275,000.00	0.00	0.00	10,975,000.00	6		
412	Escrow # 518390 Ramon	06/18/2019	06/18/2019	-175,000.00	-175,000.00	0.00	0.00	11,250,000.00	5		
412	Escrow # 416654 Evans	06/18/2019	06/18/2019	-250,000.00	-250,000.00	0.00	0.00	11,425,000.00	4		
412	Escrow # 476209 Sweazy	06/18/2019	06/18/2019	-350,000.00	-350,000.00	0.00	0.00	11,675,000.00	3		
412	Escrow # 423374 Kim	06/18/2019	06/18/2019	-225,000.00	-225,000.00	0.00	0.00	12,025,000.00	2		
412	Escrow # 476623 Moser	06/18/2019	06/18/2019	-225,000.00	-225,000.00	0.00	0.00	12,250,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	05/10/2019	05/10/2019	-87,014.39	0.00	-87,014.39	0.00	12,475,000.00	1		05/10/2019
411	Adv #60	04/30/2019	04/30/2019	750,000.00	750,000.00	0.00	0.00	12,475,000.00	1		
412	Escrow#429187 Bulow	04/26/2019	04/26/2019	-225,000.00	-225,000.00	0.00	0.00	11,725,000.00	3		
412	Escrow#328711 Hernandez	04/26/2019	04/26/2019	-175,000.00	-175,000.00	0.00	0.00	11,950,000.00	2		
412	Escrow#521087 Lockwood	04/26/2019	04/26/2019	-350,000.00	-350,000.00	0.00	0.00	12,125,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	04/10/2019	04/10/2019	-86,286.64	0.00	-86,286.64	0.00	12,475,000.00	1		04/10/2019
411	Adv #59	04/03/2019	04/03/2019	600,000.00	600,000.00	0.00	0.00	12,475,000.00	1		
412	Escrow #512558 Koong	04/02/2019	04/02/2019	-200,000.00	-200,000.00	0.00	0.00	11,875,000.00	3		
412	Escrow #519851 Garcia	04/02/2019	04/02/2019	-175,000.00	-175,000.00	0.00	0.00	12,075,000.00	2		
412	Escrow #455428 Larizadeh	04/02/2019	04/02/2019	-225,000.00	-225,000.00	0.00	0.00	12,250,000.00	1		
411	Adv #58	03/22/2019	03/22/2019	375,000.00	375,000.00	0.00	0.00	12,475,000.00	1		
412	Escrow #409322 Eun Sung Yoo	03/19/2019	03/19/2019	-50,000.00	-50,000.00	0.00	0.00	12,100,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	03/11/2019	03/11/2019	-80,963.09	0.00	-80,963.09	0.00	12,150,000.00	1		03/10/2019
411	Advance # 57	03/04/2019	03/04/2019	2,225,000.00	2,225,000.00	0.00	0.00	12,150,000.00	1		
412	Escrow #415738 Balentine	02/28/2019	03/01/2019	-325,000.00	-325,000.00	0.00	0.00	9,925,000.00	1		
AJC	INTEREST ADJUSTMENT CREDIT	02/28/2019	03/01/2019	-75.68	0.00	-75.68	0.00	10,250,000.00	1		
412	Escrow 388258 Hoang Lee	02/28/2019	02/28/2019	-175,000.00	-175,000.00	0.00	0.00	10,250,000.00	9		
412	Escrow 485721 Chuck Davis	02/28/2019	02/28/2019	-225,000.00	-225,000.00	0.00	0.00	10,425,000.00	8		
412	Escrow 480387 Mark Davey	02/28/2019	02/28/2019	-175,000.00	-175,000.00	0.00	0.00	10,650,000.00	7		
412	Escrow 458230 Nancy Roio	02/28/2019	02/28/2019	-250,000.00	-250,000.00	0.00	0.00	10,825,000.00	6		
412	Escrow 335960 Brian O'Neil	02/28/2019	02/28/2019	-350,000.00	-350,000.00	0.00	0.00	11,075,000.00	5		
412	Escrow 483345 Rick Fraiser	02/28/2019	02/28/2019	-275,000.00	-275,000.00	0.00	0.00	11,425,000.00	4		
412	Escrow 564232 Paul Yu	02/28/2019	02/28/2019	-275,000.00	-275,000.00	0.00	0.00	11,700,000.00	3		
412	Escrow 331954 Adam Stern	02/28/2019	02/28/2019	-250,000.00	-250,000.00	0.00	0.00	11,975,000.00	2		
412	Escrow 313111Lloyde Paradise	02/28/2019	02/28/2019	-250,000.00	-250,000.00	0.00	0.00	12,225,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	02/11/2019	02/11/2019	-90,095.34	0.00	-90,095.34	0.00	12,475,000.00	2		02/10/2019
411	Advance #056	02/11/2019	02/11/2019	275,000.00	275,000.00	0.00	0.00	12,475,000.00	1		
412	Escrow #476650 Laur	02/08/2019	02/08/2019	-100,000.00	-100,000.00	0.00	0.00	12,200,000.00	3		
412	Escrow #470014 Robins	02/08/2019	02/08/2019	-125,000.00	-125,000.00	0.00	0.00	12,300,000.00	2		
412	Escrow #428998 DelToro	02/08/2019	02/08/2019	-50,000.00	-50,000.00	0.00	0.00	12,425,000.00	1		
411	Advance #055	01/31/2019	01/31/2019	375,000.00	375,000.00	0.00	0.00	12,475,000.00	3		
412	Escrow #330951 Wolfer	01/29/2019	01/31/2019	-195,000.00	-195,000.00	0.00	0.00	12,100,000.00	2		
AJC	INTEREST ADJUSTMENT CREDIT	01/29/2019	01/31/2019	-90.82	0.00	-90.82	0.00	12,295,000.00	2		
412	Escrow #423784 OTA	01/29/2019	01/31/2019	-185,000.00	-185,000.00	0.00	0.00	12,295,000.00	1		

Code	Description	Transaction date	Post date	Transaction	Principal	Interest	Late charges	Balance	Group	Payment due	Interest due
AJC	INTEREST ADJUSTMENT CREDIT	01/29/2019	01/31/2019	-86.16	0.00	-86.16	0.00	12,480,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	01/10/2019	01/10/2019	-88,194.46	0.00	-88,194.46	0.00	12,480,000.00	1		01/10/2019
411	Advance # 54	12/13/2018	12/13/2018	1,350,000.00	1,350,000.00	0.00	0.00	12,480,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	12/10/2018	12/10/2018	-84,624.66	0.00	-84,624.66	0.00	11,130,000.00	6		12/10/2018
412	Escrow 476985 Joseph	12/10/2018	12/10/2018	-350,000.00	-350,000.00	0.00	0.00	11,130,000.00	5		
412	Escrow 385564 O'Reilly	12/10/2018	12/10/2018	-300,000.00	-300,000.00	0.00	0.00	11,480,000.00	4		
412	Escrow 325878 Torrente	12/10/2018	12/10/2018	-250,000.00	-250,000.00	0.00	0.00	11,780,000.00	3		
412	Escrow 412087 Tomach	12/10/2018	12/10/2018	-250,000.00	-250,000.00	0.00	0.00	12,030,000.00	2		
412	Escrow 418352 Hernandez	12/10/2018	12/10/2018	-200,000.00	-200,000.00	0.00	0.00	12,280,000.00	1		
411	Advance #053	12/04/2018	12/04/2018	50,000.00	50,000.00	0.00	0.00	12,480,000.00	1		
412	Sandy Clark esc #298745	11/30/2018	12/03/2018	-50,000.00	-50,000.00	0.00	0.00	12,430,000.00	1		
AJC	INTEREST ADJUSTMENT CREDIT	11/30/2018	12/03/2018	-33.90	0.00	-33.90	0.00	12,480,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	11/13/2018	11/13/2018	-88,082.05	0.00	-88,082.05	0.00	12,480,000.00	1		11/10/2018
411	Advance #052	10/11/2018	10/11/2018	1,050,000.00	1,050,000.00	0.00	0.00	12,480,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	10/10/2018	10/10/2018	-81,008.22	0.00	-81,008.22	0.00	11,430,000.00	1		10/10/2018
412	Shake #425951	10/09/2018	10/09/2018	-175,000.00	-175,000.00	0.00	0.00	11,430,000.00	5		
412	Gilbert #422542	10/09/2018	10/09/2018	-200,000.00	-200,000.00	0.00	0.00	11,605,000.00	4		
412	Parnell #476392	10/09/2018	10/09/2018	-175,000.00	-175,000.00	0.00	0.00	11,805,000.00	3		
412	Hohn #415666	10/09/2018	10/09/2018	-175,000.00	-175,000.00	0.00	0.00	11,980,000.00	2		
412	Bleiman #479852	10/09/2018	10/09/2018	-325,000.00	-325,000.00	0.00	0.00	12,155,000.00	1		
AJC	Interest Adjustment	10/01/2018	10/01/2018	-85.48	0.00	-85.48	0.00	12,480,000.00	1		
411	ADVANCE #051	09/18/2018	09/18/2018	1,200,000.00	1,200,000.00	0.00	0.00	12,480,000.00	1		
412	Park-Escrow# 523028	09/14/2018	09/14/2018	-150,000.00	-150,000.00	0.00	0.00	11,280,000.00	9		
412	Oh-Escrow# 418923	09/14/2018	09/14/2018	-150,000.00	-150,000.00	0.00	0.00	11,430,000.00	8		
412	Sarlussian-Escrow# 478878	09/14/2018	09/14/2018	-150,000.00	-150,000.00	0.00	0.00	11,580,000.00	7		
412	Kofdaralli- Escrow# 475602	09/14/2018	09/14/2018	-100,000.00	-100,000.00	0.00	0.00	11,730,000.00	6		
412	Reyes-Escrow # 384637	09/14/2018	09/14/2018	-125,000.00	-125,000.00	0.00	0.00	11,830,000.00	5		
412	Younis-Escrow #476334	09/14/2018	09/14/2018	-100,000.00	-100,000.00	0.00	0.00	11,955,000.00	4		
412	Maggard -Escrow#512134	09/14/2018	09/14/2018	-150,000.00	-150,000.00	0.00	0.00	12,055,000.00	3		
412	Kang- Escrow# 423398	09/14/2018	09/14/2018	-150,000.00	-150,000.00	0.00	0.00	12,205,000.00	2		
412	Kincaid- Escrow #387634	09/14/2018	09/14/2018	-125,000.00	-125,000.00	0.00	0.00	12,355,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	09/10/2018	09/10/2018	-86,384.65	0.00	-86,384.65	0.00	12,480,000.00	1		09/10/2018
424	SINGLE REG PAY/EXCESS-PRIN	08/10/2018	08/10/2018	-82,253.16	0.00	-82,253.16	0.00	12,480,000.00	1		08/10/2018
411	Advance 050	07/31/2018	07/31/2018	725,000.00	725,000.00	0.00	0.00	12,480,000.00	1		
412	Glenn Setting- Escrow #475147	07/25/2018	07/25/2018	-50,000.00	-50,000.00	0.00	0.00	11,755,000.00	6		
412	Dae Choi- Escrow #476348	07/25/2018	07/25/2018	-75,000.00	-75,000.00	0.00	0.00	11,805,000.00	5		
412	Myong Han- Escrow #475438	07/25/2018	07/25/2018	-75,000.00	-75,000.00	0.00	0.00	11,880,000.00	4		
412	Louis Vantonder Escrow# 511124	07/25/2018	07/25/2018	-175,000.00	-175,000.00	0.00	0.00	11,955,000.00	3		
412	Gregory Favent- Escrow# 395289	07/25/2018	07/25/2018	-175,000.00	-175,000.00	0.00	0.00	12,130,000.00	2		
412	Dan Collier- Escrow# 415228	07/25/2018	07/25/2018	-175,000.00	-175,000.00	0.00	0.00	12,305,000.00	1		
424	payment due 07/10/2018	07/11/2018	07/11/2018	-80,929.31	0.00	-80,929.31	0.00	12,480,000.00	1		07/10/2018
411	advance # 49	06/28/2018	06/28/2018	600,000.00	600,000.00	0.00	0.00	12,480,000.00	1		
LCW	LATE CHARGE WAIVED	06/28/2018	06/28/2018	-753,674.16	0.00	0.00	-753,674.16	11,880,000.00	0	06/10/2018	
412	June Park Escrow #527623	06/22/2018	06/22/2018	-150,000.00	-150,000.00	0.00	0.00	11,880,000.00	4		
412	Allan Hanley Escrow #384155	06/22/2018	06/22/2018	-175,000.00	-175,000.00	0.00	0.00	12,030,000.00	3		
412	Tellesrubakaba Escrow #482558	06/22/2018	06/22/2018	-125,000.00	-125,000.00	0.00	0.00	12,205,000.00	2		
412	Rystan Okumum Escrow #526874	06/22/2018	06/22/2018	-150,000.00	-150,000.00	0.00	0.00	12,330,000.00	1		
LCA	LATE CHARGE ASSESSED	06/20/2018	06/20/2018	753,674.16	0.00	0.00	753,674.16	12,480,000.00	0	06/10/2018	
424	interest to maturity	06/08/2018	06/08/2018	-81,235.93	0.00	-81,235.93	0.00	12,480,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	05/10/2018	05/10/2018	-79,384.41	0.00	-79,384.41	0.00	12,480,000.00	1		05/10/2018
411	ADVANCE #048	05/07/2018	05/07/2018	825,000.00	825,000.00	0.00	0.00	12,480,000.00	1		
412	Makino Escrow #387789	05/02/2018	05/02/2018	-195,000.00	-195,000.00	0.00	0.00	11,655,000.00	4		
412	Becher Escrow #526431	05/02/2018	05/02/2018	-225,000.00	-225,000.00	0.00	0.00	11,850,000.00	3		
412	Hope Escrow #45584	05/02/2018	05/02/2018	-200,000.00	-200,000.00	0.00	0.00	12,075,000.00	2		
412	Geister Escrow #475102	05/02/2018	05/02/2018	-225,000.00	-225,000.00	0.00	0.00	12,275,000.00	1		
411	ADVANCE #047	04/12/2018	04/12/2018	375,000.00	375,000.00	0.00	0.00	12,500,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	04/10/2018	04/10/2018	-78,518.84	0.00	-78,518.84	0.00	12,125,000.00	1		04/10/2018
412	Sheldon Escrow #479777	04/09/2018	04/09/2018	-175,000.00	-175,000.00	0.00	0.00	12,125,000.00	3		

Code	Description	Transaction date	Post date	Transaction	Principal	Interest	Late charges	Balance	Group	Payment due	Interest due
412	Yashio Escrow #474421	04/09/2018	04/09/2018	-75,000.00	-75,000.00	0.00	0.00	12,300,000.00	2		
412	Zhen Escrow #385411	04/09/2018	04/09/2018	-125,000.00	-125,000.00	0.00	0.00	12,375,000.00	1		
411	ADVANCE 046	03/15/2018	03/15/2018	2,575,000.00	2,575,000.00	0.00	0.00	12,500,000.00	1		
400	interest to 03/10/2018	03/13/2018	03/13/2018	-72,426.37	0.00	-72,426.37	0.00	9,925,000.00	1		
412	David Anderson escrow 483105	03/07/2018	03/07/2018	-275,000.00	-275,000.00	0.00	0.00	9,925,000.00	8		
412	Erik Gott escrow 381128	03/07/2018	03/07/2018	-350,000.00	-350,000.00	0.00	0.00	10,200,000.00	7		
412	Valene Andrews escrow 475235	03/07/2018	03/07/2018	-275,000.00	-275,000.00	0.00	0.00	10,550,000.00	6		
412	Patrick Faverty escrow 480012	03/07/2018	03/07/2018	-325,000.00	-325,000.00	0.00	0.00	10,825,000.00	5		
412	Ronald Brown escrow 385017	03/07/2018	03/07/2018	-325,000.00	-325,000.00	0.00	0.00	11,150,000.00	4		
412	Joseph Handy escrow 486539	03/07/2018	03/07/2018	-325,000.00	-325,000.00	0.00	0.00	11,475,000.00	3		
412	Michael Galagher-escrow 419735	03/07/2018	03/07/2018	-350,000.00	-350,000.00	0.00	0.00	11,800,000.00	2		
412	Max Cox-escrow 470198	03/07/2018	03/07/2018	-350,000.00	-350,000.00	0.00	0.00	12,150,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	02/12/2018	02/12/2018	-77,691.78	0.00	-77,691.78	0.00	12,500,000.00	1		02/10/2018
411	ADVANCE 045	01/29/2018	01/29/2018	850,000.00	850,000.00	0.00	0.00	12,500,000.00	1		
412	Abdoulin Escrow #376984	01/25/2018	01/25/2018	-275,000.00	-275,000.00	0.00	0.00	11,650,000.00	3		
412	James Escrow #412025	01/25/2018	01/25/2018	-250,000.00	-250,000.00	0.00	0.00	11,925,000.00	2		
412	Mallad Escrow #370185	01/25/2018	01/25/2018	-325,000.00	-325,000.00	0.00	0.00	12,175,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	01/10/2018	01/10/2018	-76,478.25	0.00	-76,478.25	0.00	12,500,000.00	1		01/10/2018
411	Advance to DDA 212792	12/29/2017	12/29/2017	350,000.00	350,000.00	0.00	0.00	12,500,000.00	1		
412	Howard Young -Escrow #425587	12/20/2017	12/22/2017	-175,000.00	-175,000.00	0.00	0.00	12,150,000.00	3		
AJC	INTEREST ADJUSTMENT CREDIT	12/20/2017	12/22/2017	-71.92	0.00	-71.92	0.00	12,325,000.00	3		
412	Robert Foster- Escrow #428152	12/20/2017	12/22/2017	-175,000.00	-175,000.00	0.00	0.00	12,325,000.00	2		
AJC	INTEREST ADJUSTMENT CREDIT	12/20/2017	12/22/2017	-71.92	0.00	-71.92	0.00	12,500,000.00	2		
AJD	INTEREST ADJUSTMENT DEBIT	12/20/2017	12/22/2017	143.84	0.00	143.84	0.00	12,500,000.00	1		
512	PRINCIPAL PAYMENT REVERSAL	12/20/2017	12/22/2017	350,000.00	350,000.00	0.00	0.00	12,500,000.00	1		
412	Bryan Joseph Escrow 476985	12/20/2017	12/20/2017	-350,000.00	-350,000.00	0.00	0.00	12,150,000.00	1		
411	ADVANCE 043	12/12/2017	12/12/2017	900,000.00	900,000.00	0.00	0.00	12,500,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	12/11/2017	12/11/2017	-73,883.46	0.00	-73,883.46	0.00	11,600,000.00	1		12/10/2017
412	Hsu- escrow # 487354	12/05/2017	12/05/2017	-150,000.00	-150,000.00	0.00	0.00	11,600,000.00	5		
412	Garcia - escrow # 372793	12/05/2017	12/05/2017	-150,000.00	-150,000.00	0.00	0.00	11,750,000.00	4		
412	Conroy -escrow # 516673	12/05/2017	12/05/2017	-125,000.00	-125,000.00	0.00	0.00	11,900,000.00	3		
412	Cherry- escrow # 523996	12/05/2017	12/05/2017	-150,000.00	-150,000.00	0.00	0.00	12,025,000.00	2		
412	Love - escrow #428745	12/05/2017	12/05/2017	-150,000.00	-150,000.00	0.00	0.00	12,175,000.00	1		
411	Hoang Lee Escrow #388256	11/30/2017	11/30/2017	175,000.00	175,000.00	0.00	0.00	12,325,000.00	1		
412	Luis Pimentelgil Esc # 485012	11/28/2017	11/28/2017	-175,000.00	-175,000.00	0.00	0.00	12,150,000.00	3		
411	Carin Sarlussian Escrow #4788	11/28/2017	11/28/2017	150,000.00	150,000.00	0.00	0.00	12,325,000.00	2		
412	Michael Pick esc # 487521	11/28/2017	11/28/2017	-175,000.00	-175,000.00	0.00	0.00	12,175,000.00	1		
412	Wen Fang Zhang Esc #410021	11/21/2017	11/21/2017	-150,000.00	-150,000.00	0.00	0.00	12,350,000.00	1		
411	Chuck Davis Esc #485721	11/20/2017	11/20/2017	225,000.00	225,000.00	0.00	0.00	12,500,000.00	2		
411	Mark Davey- Esc #480837	11/20/2017	11/20/2017	175,000.00	175,000.00	0.00	0.00	12,275,000.00	1		
411	ADV TO DDA 212792	11/17/2017	11/17/2017	325,000.00	325,000.00	0.00	0.00	12,100,000.00	1		
412	Mathias Ramkowsky -Esc 512564	11/15/2017	11/15/2017	-125,000.00	-125,000.00	0.00	0.00	11,775,000.00	3		
412	Craig Tonoberg escrow 427764	11/15/2017	11/15/2017	-125,000.00	-125,000.00	0.00	0.00	11,900,000.00	2		
412	Hung Thi escrow 432089	11/15/2017	11/15/2017	-150,000.00	-150,000.00	0.00	0.00	12,025,000.00	1		
412	Manuel Banuelos # 419047	11/13/2017	11/13/2017	-175,000.00	-175,000.00	0.00	0.00	12,175,000.00	2		
412	Anthony Caldwell # 386137	11/13/2017	11/13/2017	-150,000.00	-150,000.00	0.00	0.00	12,350,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	11/10/2017	11/10/2017	-75,122.92	0.00	-75,122.92	0.00	12,500,000.00	1		11/10/2017
411	ADV to DDA 212792	11/03/2017	11/03/2017	445,000.00	445,000.00	0.00	0.00	12,500,000.00	1		
412	Escrow 470202 Zaher Barhi	10/25/2017	10/25/2017	-75,000.00	-75,000.00	0.00	0.00	12,055,000.00	3		
412	Escrow 415282 Gregory Stillman	10/25/2017	10/25/2017	-75,000.00	-75,000.00	0.00	0.00	12,130,000.00	2		
412	Escrow 410735 Stephan Duncan	10/25/2017	10/25/2017	-275,000.00	-275,000.00	0.00	0.00	12,205,000.00	1		
411	Roio Esc #458230	10/23/2017	10/23/2017	250,000.00	250,000.00	0.00	0.00	12,480,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	10/10/2017	10/10/2017	-73,406.74	0.00	-73,406.74	0.00	12,230,000.00	3		10/10/2017
412	Jae Soo chung # 428738	10/10/2017	10/10/2017	-150,000.00	-150,000.00	0.00	0.00	12,230,000.00	2		
412	David Gary # 481814	10/10/2017	10/10/2017	-100,000.00	-100,000.00	0.00	0.00	12,380,000.00	1		
411	Ying Zhen # 385411	09/29/2017	09/29/2017	125,000.00	125,000.00	0.00	0.00	12,480,000.00	1		
412	escrow-Jaekook Kim # 419952	09/25/2017	09/25/2017	-125,000.00	-125,000.00	0.00	0.00	12,355,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	09/11/2017	09/11/2017	-76,138.90	0.00	-76,138.90	0.00	12,480,000.00	2		09/10/2017

Code	Description	Transaction date	Post date	Transaction	Principal	Interest	Late charges	Balance	Group	Payment due	Interest due
411	adv to DDA # 212792	09/11/2017	09/11/2017	535,000.00	535,000.00	0.00	0.00	12,480,000.00	1		
412	From DDA 212792-Edwards	09/07/2017	09/07/2017	-175,000.00	-175,000.00	0.00	0.00	11,945,000.00	2		
412	From DDA 212792- Johnson	09/07/2017	09/07/2017	-175,000.00	-175,000.00	0.00	0.00	12,120,000.00	1		
412	escrow # 526746	08/30/2017	08/30/2017	-50,000.00	-50,000.00	0.00	0.00	12,295,000.00	2		
412	escrow # 481114	08/30/2017	08/30/2017	-75,000.00	-75,000.00	0.00	0.00	12,345,000.00	1		
411	adv to DDA # 212792	08/18/2017	08/18/2017	200,000.00	200,000.00	0.00	0.00	12,420,000.00	1		
412	escrow # 485512	08/15/2017	08/15/2017	-75,000.00	-75,000.00	0.00	0.00	12,220,000.00	2		
412	escrow # 421198	08/15/2017	08/15/2017	-125,000.00	-125,000.00	0.00	0.00	12,295,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	08/10/2017	08/10/2017	-75,910.48	0.00	-75,910.48	0.00	12,420,000.00	1		08/10/2017
411	adv to DDA # 212792	08/04/2017	08/04/2017	550,000.00	550,000.00	0.00	0.00	12,420,000.00	1		
412	escrow # 473896	08/02/2017	08/02/2017	-175,000.00	-175,000.00	0.00	0.00	11,870,000.00	3		
412	escrow # 518943	08/02/2017	08/02/2017	-250,000.00	-250,000.00	0.00	0.00	12,045,000.00	2		
412	escrow # 418456	08/02/2017	08/02/2017	-125,000.00	-125,000.00	0.00	0.00	12,295,000.00	1		
411	wire - escrow# 476985	07/12/2017	07/12/2017	350,000.00	350,000.00	0.00	0.00	12,420,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	07/10/2017	07/10/2017	-73,392.47	0.00	-73,392.47	0.00	12,070,000.00	1		07/10/2017
412	from DDA # 212792	07/06/2017	07/06/2017	-350,000.00	-350,000.00	0.00	0.00	12,070,000.00	1		
411	adv to DDA # 212792	06/29/2017	06/29/2017	250,000.00	250,000.00	0.00	0.00	12,420,000.00	1		
412	Principal pmt from dda 212792	06/26/2017	06/26/2017	-250,000.00	-250,000.00	0.00	0.00	12,170,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	06/12/2017	06/12/2017	-73,575.75	0.00	-73,575.75	0.00	12,420,000.00	1		06/10/2017
411	adv to DDA # 212792	06/05/2017	06/05/2017	250,000.00	250,000.00	0.00	0.00	12,420,000.00	1		
412	from DDA # 212792	06/01/2017	06/01/2017	-250,000.00	-250,000.00	0.00	0.00	12,170,000.00	1		
411	adv to DDA # 212792	05/24/2017	05/24/2017	175,000.00	175,000.00	0.00	0.00	12,420,000.00	1		
412	from DDA # 212792	05/22/2017	05/22/2017	-175,000.00	-175,000.00	0.00	0.00	12,245,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	05/10/2017	05/10/2017	-74,288.22	0.00	-74,288.22	0.00	12,420,000.00	2		05/10/2017
411	adv to DDA # 212792	05/10/2017	05/10/2017	125,000.00	125,000.00	0.00	0.00	12,420,000.00	1		
412	from DDA # 212792	05/09/2017	05/09/2017	-125,000.00	-125,000.00	0.00	0.00	12,295,000.00	1		
411	adv to DDA # 212792	05/01/2017	05/01/2017	150,000.00	150,000.00	0.00	0.00	12,420,000.00	1		
412	wire- Escrow # 485023	04/25/2017	04/26/2017	-150,000.00	-150,000.00	0.00	0.00	12,270,000.00	1		
AJC	INTEREST ADJUSTMENT CREDIT	04/25/2017	04/26/2017	-28.77	0.00	-28.77	0.00	12,420,000.00	1		
424	paymentdue 04/10/2017	04/11/2017	04/11/2017	-44,075.35	0.00	-44,075.35	0.00	12,420,000.00	1		04/10/2017
411	adv to DDA # 212792	04/07/2017	04/10/2017	4,920,000.00	4,920,000.00	0.00	0.00	12,420,000.00	2		
AJD	INTEREST ADJUSTMENT DEBIT	04/07/2017	04/10/2017	2,830.68	0.00	2,830.68	0.00	7,500,000.00	2		
AJC	INTEREST ADJUSTMENT CREDIT	04/07/2017	04/10/2017	-2,830.68	0.00	-2,830.68	0.00	7,500,000.00	1		
511	ADVANCE REVERSAL	04/07/2017	04/10/2017	-4,920,000.00	-4,920,000.00	0.00	0.00	7,500,000.00	1		
411	adv to DDA # 212792	04/07/2017	04/07/2017	4,920,000.00	4,920,000.00	0.00	0.00	12,420,000.00	1		
400	interest to 03/10/2017	04/05/2017	04/05/2017	-38,544.34	0.00	-38,544.34	0.00	7,500,000.00	1		
LCW	LATE CHARGE WAIVED	04/05/2017	04/05/2017	-447,805.17	0.00	0.00	-447,805.17	7,500,000.00	0	03/10/2017	
LCA	LATE CHARGE ASSESSED	03/20/2017	03/20/2017	447,805.17	0.00	0.00	447,805.17	7,500,000.00	0	03/10/2017	
411	adv to DDA # 212792-wire trans	03/01/2017	03/01/2017	75,000.00	75,000.00	0.00	0.00	7,500,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	02/10/2017	02/10/2017	-42,961.33	0.00	-42,961.33	0.00	7,425,000.00	1		02/10/2017
412	from DDA # 212792	02/08/2017	02/08/2017	-75,000.00	-75,000.00	0.00	0.00	7,425,000.00	1		
411	adv to DDA # 212792	01/20/2017	01/20/2017	125,000.00	125,000.00	0.00	0.00	7,500,000.00	1		
412	from DDA # 212792	01/17/2017	01/17/2017	-125,000.00	-125,000.00	0.00	0.00	7,375,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	01/10/2017	01/10/2017	-42,622.95	0.00	-42,622.95	0.00	7,500,000.00	1		01/10/2017
424	SINGLE REG PAY/EXCESS-PRIN	12/12/2016	12/12/2016	-39,959.02	0.00	-39,959.02	0.00	7,500,000.00	1		12/10/2016
424	SINGLE REG PAY/EXCESS-PRIN	11/10/2016	11/10/2016	-41,290.98	0.00	-41,290.98	0.00	7,500,000.00	1		11/10/2016
411	adv to DDA # 212792	10/18/2016	10/18/2016	100,000.00	100,000.00	0.00	0.00	7,500,000.00	2		
412	From DDA# 212792	10/18/2016	10/18/2016	-100,000.00	-100,000.00	0.00	0.00	7,400,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	10/11/2016	10/11/2016	-39,945.70	0.00	-39,945.70	0.00	7,500,000.00	1		10/10/2016
411	adv to DDA # 212792	09/14/2016	09/14/2016	75,000.00	75,000.00	0.00	0.00	7,500,000.00	1		
412	from DDA # 212792	09/13/2016	09/13/2016	-75,000.00	-75,000.00	0.00	0.00	7,425,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	09/12/2016	09/12/2016	-41,290.98	0.00	-41,290.98	0.00	7,500,000.00	1		09/10/2016
424	SINGLE REG PAY/EXCESS-PRIN	08/10/2016	08/10/2016	-40,900.27	0.00	-40,900.27	0.00	7,500,000.00	1		08/10/2016
411	advance to DDA 212792	07/13/2016	07/13/2016	275,000.00	275,000.00	0.00	0.00	7,500,000.00	1		
412	from DDA # 212792	07/12/2016	07/12/2016	-275,000.00	-275,000.00	0.00	0.00	7,225,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	07/11/2016	07/11/2016	-33,871.93	0.00	-33,871.93	0.00	7,500,000.00	1		07/10/2016
411	adv to DDA # 212792	07/08/2016	07/08/2016	250,000.00	250,000.00	0.00	0.00	7,500,000.00	1		
412	from DDA # 212792	07/07/2016	07/07/2016	-250,000.00	-250,000.00	0.00	0.00	7,250,000.00	2		

Code	Description	Transaction date	Post date	Transaction	Principal	Interest	Late charges	Balance	Group	Payment due	Interest due
411	adv to DDA # 212792	07/07/2016	07/07/2016	450,000.00	450,000.00	0.00	0.00	7,500,000.00	1		
412	from DDA # 212792	07/06/2016	07/06/2016	-450,000.00	-450,000.00	0.00	0.00	7,050,000.00	1		
411	adv to DDA # 212792	07/01/2016	07/01/2016	425,000.00	425,000.00	0.00	0.00	7,500,000.00	1		
412	from DDA # 212792	06/29/2016	06/29/2016	-425,000.00	-425,000.00	0.00	0.00	7,075,000.00	1		
411	adv to DDA #212792	06/28/2016	06/28/2016	375,000.00	375,000.00	0.00	0.00	7,500,000.00	1		
412	from DDA # 212792	06/27/2016	06/27/2016	-375,000.00	-375,000.00	0.00	0.00	7,125,000.00	1		
411	adv to DDA # 212792	06/23/2016	06/23/2016	400,000.00	400,000.00	0.00	0.00	7,500,000.00	1		
412	from DDA # 212792	06/22/2016	06/22/2016	-400,000.00	-400,000.00	0.00	0.00	7,100,000.00	3		
411	adv to DDA # 212792	06/22/2016	06/22/2016	175,000.00	175,000.00	0.00	0.00	7,500,000.00	2		
411	adv to DDA # 212792	06/22/2016	06/22/2016	2,500,000.00	2,500,000.00	0.00	0.00	7,325,000.00	1		
412	from DDA # 212792	06/21/2016	06/21/2016	-175,000.00	-175,000.00	0.00	0.00	4,825,000.00	1		
411	adv to DDA # 212792	06/20/2016	06/20/2016	350,000.00	350,000.00	0.00	0.00	5,000,000.00	1		
412	from DDA # 212792	06/16/2016	06/16/2016	-175,000.00	-175,000.00	0.00	0.00	4,650,000.00	1		
412	from DDA # 212792	06/15/2016	06/15/2016	-175,000.00	-175,000.00	0.00	0.00	4,825,000.00	1		
411	adv to DDA # 212792	06/13/2016	06/13/2016	300,000.00	300,000.00	0.00	0.00	5,000,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	06/10/2016	06/10/2016	-26,994.54	0.00	-26,994.54	0.00	4,700,000.00	3		06/10/2016
412	from DDA # 212792	06/10/2016	06/10/2016	-300,000.00	-300,000.00	0.00	0.00	4,700,000.00	2		
411	adv to DDA # 212792	06/10/2016	06/10/2016	150,000.00	150,000.00	0.00	0.00	5,000,000.00	1		
412	from DDA # 212792	06/09/2016	06/09/2016	-150,000.00	-150,000.00	0.00	0.00	4,850,000.00	1		
411	adv to DDA # 212792	06/08/2016	06/08/2016	425,000.00	425,000.00	0.00	0.00	5,000,000.00	1		
412	from DDA# 212792	06/07/2016	06/07/2016	-425,000.00	-425,000.00	0.00	0.00	4,575,000.00	1		
411	adv to DDA # 212792	06/02/2016	06/02/2016	325,000.00	325,000.00	0.00	0.00	5,000,000.00	1		
412	from DDA # 212792	05/31/2016	05/31/2016	-325,000.00	-325,000.00	0.00	0.00	4,675,000.00	1		
411	advance to DDA # 212792	05/26/2016	05/26/2016	250,000.00	250,000.00	0.00	0.00	5,000,000.00	1		
412	from DDA # 212792	05/24/2016	05/24/2016	-250,000.00	-250,000.00	0.00	0.00	4,750,000.00	1		
411	Adv to DDA #212795	05/18/2016	05/18/2016	250,000.00	250,000.00	0.00	0.00	5,000,000.00	1		
412	from DDA # 212792	05/17/2016	05/17/2016	-250,000.00	-250,000.00	0.00	0.00	4,750,000.00	1		
411	adv to DDA # 212792	05/11/2016	05/11/2016	75,000.00	75,000.00	0.00	0.00	5,000,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	05/10/2016	05/10/2016	-26,639.34	0.00	-26,639.34	0.00	4,925,000.00	1		05/10/2016
412	from DDA # 212792	05/09/2016	05/09/2016	-75,000.00	-75,000.00	0.00	0.00	4,925,000.00	1		
411	adv to DDA # 212792	05/04/2016	05/04/2016	175,000.00	175,000.00	0.00	0.00	5,000,000.00	2		
411	adv to DDA # 212792	05/04/2016	05/04/2016	350,000.00	350,000.00	0.00	0.00	4,825,000.00	1		
412	from DDA # 212792	05/02/2016	05/02/2016	-175,000.00	-175,000.00	0.00	0.00	4,475,000.00	1		
412	payment from DDA # 212792	04/29/2016	04/29/2016	-350,000.00	-350,000.00	0.00	0.00	4,650,000.00	1		
424	SINGLE REG PAY/EXCESS-PRIN	04/11/2016	04/11/2016	-27,527.32	0.00	-27,527.32	0.00	5,000,000.00	1		04/10/2016
424	SINGLE REG PAY/EXCESS-PRIN	03/10/2016	03/10/2016	-25,751.36	0.00	-25,751.36	0.00	5,000,000.00	1		03/10/2016
424	SINGLE REG PAY/EXCESS-PRIN	02/10/2016	02/10/2016	-27,505.43	0.00	-27,505.43	0.00	5,000,000.00	1		02/10/2016
424	SINGLE REG PAY/EXCESS-PRIN	01/11/2016	01/11/2016	-27,363.01	0.00	-27,363.01	0.00	5,000,000.00	1		01/10/2016
424	SINGLE REG PAY/EXCESS-PRIN	12/10/2015	12/10/2015	-25,684.93	0.00	-25,684.93	0.00	5,000,000.00	1		12/10/2015
424	SINGLE REG PAY/EXCESS-PRIN	11/10/2015	11/10/2015	-26,755.14	0.00	-26,755.14	0.00	5,000,000.00	1		11/10/2015
424	SINGLE REG PAY/EXCESS-PRIN	10/13/2015	10/13/2015	-19,263.84	0.00	-19,263.84	0.00	5,000,000.00	1		10/10/2015
411	adv to DDA # 212792	10/09/2015	10/09/2015	1,249,970.00	1,249,970.00	0.00	0.00	5,000,000.00	1		
411	wire to title	09/10/2015	09/11/2015	575,030.00	575,030.00	0.00	0.00	3,750,030.00	2		
AJD	INTEREST ADJUSTMENT DEBIT	09/10/2015	09/11/2015	98.46	0.00	98.46	0.00	3,175,000.00	2		
411	wire to title	09/10/2015	09/11/2015	3,175,000.00	3,175,000.00	0.00	0.00	3,175,000.00	1		
AJD	INTEREST ADJUSTMENT DEBIT	09/10/2015	09/11/2015	543.66	0.00	543.66	0.00	0.00	1		
NEW	NEW LOAN	09/10/2015	09/11/2015	0.00	0.00	0.00	0.00	0.00	0		

EXHIBIT H

EXHIBIT H

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Attorneys for Plaintiff
CALPRIVATE BANK

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SAN DIEGO

CALPRIVATE BANK, a California
corporation,

Plaintiff,

v.

CHICAGO TITLE COMPANY, a
California corporation; CHICAGO TITLE
INSURANCE COMPANY, a Florida
corporation; and DOES 1 through 50,
inclusive,

Defendants.

ELECTRONICALLY FILED
Superior Court of California,
County of San Diego
02/19/2021 at 03:48:00 PM
Clerk of the Superior Court
By Taylor Crandall, Deputy Clerk

CASE NO. 37-2020-00039790-CU-FR-CTL

The Honorable Ronald L. Styn
Dept. C-74

**FIRST AMENDED COMPLAINT FOR
DAMAGES FOR: (1) BREACH OF
CONTRACT; (2) BREACH OF FIDUCIARY
DUTY; (3) FRAUD; (4) CONSPIRACY TO
DEFRAUD; (5) AIDING AND ABETTING
FRAUD; (6) NEGLIGENT
MISREPRESENTATION; (7) NEGLIGENCE;
(8) VIOLATION OF PENAL CODE SEC. 496;
AND (9) UNFAIR COMPETITION IN
VIOLATION OF CAL. BUSINESS AND
PROFESSIONS CODE §§ 17200 *ET SEQ.***

1 Plaintiff CalPrivate Bank, formerly known as San Diego Private Bank (“Plaintiff” or
2 “CPB”), alleges the following against Defendants Chicago Title Company (“CTC”), Chicago
3 Title Insurance Company (“CTIC” and together with CTC, “Chicago Title”) and Does 1 through
4 50, inclusive (collectively “Defendants”):

5 **INTRODUCTION**

6 1. Beginning in September 2015 and continuing through June 2019, Plaintiff
7 advanced over \$40 million to a San Diego-based company, ANI License Fund, LLC (“ANI
8 License”), controlled by San Diego socialite Gina Champion-Cain (“Champion-Cain”), for the
9 purpose of funding state law mandated liquor license transfer escrows with Chicago Title.
10 California law, and specifically Section 24074 of the California Business & Professions Code,
11 requires that before filing an application for transfer of any California liquor license, the
12 transferor licensee and intended transferee must establish an escrow with a person or entity not a
13 party to the transaction acting as escrow holder, and deposit with the escrow holder the full
14 amount of the purchase price or consideration, in order to insure payment of the claims of bona
15 fide creditors of the transferor licensee before payment is made to the transferor licensee
16 (“Section 24074 Escrows”). Chicago Title, one of the largest escrow companies in the United
17 States, with experience acting as an escrow holder or agent for a variety of transactions, including
18 California liquor license transfers, knew that the loan advances it received from Plaintiff were to
19 be placed into separate Section 24074 Escrows for individual liquor license transfers, knew that
20 Plaintiff was relying on Chicago Title to do so, and by its statements, acts, and conduct agreed to
21 do so.

22 2. What occurred was far different. Chicago Title never established any individual
23 escrow accounts to hold funds provided by Plaintiff for liquor license transfers. Instead, Chicago
24 Title deposited the funds wired by Plaintiff to Chicago Title, despite being earmarked for
25 individual liquor license transfer escrow accounts mandated by state law, into a deposit account
26 controlled by Champion-Cain, which was in no way an “escrow,” and allowed Champion-Cain
27 complete discretion to withdraw Plaintiff’s funds at any time.
28

1 3. As it turns out, Champion-Cain was running a complex Ponzi scheme, and using
2 the funds advanced by Plaintiff, and funds obtained from other lenders and investors, to maintain
3 the Ponzi scheme by using lender and investor funds to pay off earlier lenders and investors, to
4 fund personal investments, and to support her extravagant lifestyle. There were no liquor license
5 transfer applications, and no Section 24074 Escrows. Chicago Title not only failed to create and
6 maintain such escrows, it concealed from Plaintiff that there were no such escrows, and indeed
7 caused Plaintiff to believe that its loan advances were being deposited and maintained in such
8 escrows.

9 4. Chicago Title's role was critical in Plaintiff's decision to make loan advances to
10 Champion-Cain and ANI License. It was of critical importance to Plaintiff that its funds would
11 be held securely in individual escrow accounts for specific liquor license transfers with a large
12 and reputable escrow company, Chicago Title, all according to and controlled by California law.
13 Had it known that Chicago Title did not intend to deposit Plaintiff's loan advances into Section
14 24074 Escrows, Plaintiff would not have entered into any loan agreement with Champion-Cain
15 and ANI License and would not have wired any loan advances to Chicago Title.

16 5. Champion-Cain's Ponzi scheme came to an end when, on August 28, 2019, the
17 Securities and Exchange Commission ("SEC") filed a complaint against Champion-Cain and
18 another of her entities, ANI Development, LLC ("ANI Development"), alleging, based upon its
19 investigation, that a) there was no business for the transfer of liquor licenses or actual license
20 applicants; b) Chicago Title secretly executed the deposit account agreement with Champion-
21 Cain that gave her complete control over the funds that were to be placed in Section 24074
22 Escrows by Plaintiff and other lenders and investors; and, c) with Chicago Title's help,
23 Champion-Cain misappropriated over \$140 million of lender and investor funds for herself and
24 Chicago Title.

25 6. At the time the SEC exposed Champion-Cain's Ponzi scheme, Plaintiff was owed
26 nearly \$12.5 million in loan advances. Plaintiff, therefore, brings this suit against Defendants to
27 recover its losses caused by Chicago Title's breach of implied contract, breach of fiduciary duty,
28 fraud, aiding and abetting Champion-Cain's fraud, conspiracy to defraud, negligent

misrepresentation, negligence, violation of Penal Code Section 496, and unfair competition in violation of California Business and Professions Code § 17200, *et. seq.*

INCORPORATION OF MODEL COMPLAINT

7. Plaintiff incorporates by reference the following paragraphs (including all images set forth therein and all exhibits referenced therein) contained in the Amended Complaint (the “Model Complaint”) filed in the related matter *Ovation Finance Holdings 2, LLC et al., v. Chicago Title Ins. Co. et al.* 37-2020-00034947-CU-FR-CTL: ¶¶ 2-3, 5-10, 15-36, 41, 43-46, 64-69, 85-95, 100-115, 117-119, 121-182, 184-239.¹ References in the Model Complaint to “Plaintiffs” in the incorporated paragraphs shall be understood to refer to Plaintiff CalPrivate Bank in this action.

THE PARTIES

8. Plaintiff is a California corporation with its principal place of business in San Diego County. Plaintiff was formerly known as San Diego Private Bank, which was its name at the time Plaintiff first agreed to lend money to ANI License. Plaintiff is a full-service regional bank that provides banking and lending products to businesses and individuals.

9. Plaintiff does not know the true names and capacities of Defendants sued herein as Does 1 through 50, inclusive, and therefore sues these Defendants by such fictitious names. Plaintiff will amend this Complaint to allege their true names and capacities when the information has been ascertained. Plaintiff is informed and believes, and on that basis alleges, that each of these fictitiously named Defendants is responsible in some manner for the occurrences referred to herein and that Plaintiff’s damages were proximately caused by such Defendants.

JURISDICTION AND VENUE

10. This Court has jurisdiction and venue is proper pursuant to Code of Civil Procedure Sections 395 and 395.5 because Defendants contracted to perform obligations that

¹ Plaintiff makes this incorporation per the direction of Judge Styn during the January 13, 2021 hearing. Plaintiff was not represented at the hearing, as this action was at that time before Judge Strauss, but this action has subsequently been deemed a related case and transferred to Judge Styn.

1 were to be performed in San Diego County, and because the obligations arose in San Diego
2 County where the acts creating liability occurred.

3 **COMMON ALLEGATIONS**

4 **A. Plaintiff Loans Funds to Champion-Cain's Liquor License Escrow Program**

5 11. In California, an applicant for a liquor license transfer is required to establish and
6 maintain, with an independent third party, a special escrow account, referred to herein as a
7 Section 24074 Escrow, in which the full purchase price of the license transfer must be deposited
8 and maintained until the California Department of Alcoholic Beverage Control ("ABC") approves
9 the transfer, a lengthy process that can take many months.

10 12. Plaintiff is informed and believes, and on that basis alleges, that Champion-Cain
11 devised a scheme whereby bridge loans funded by lenders and investors purportedly would be
12 deposited into Section 24074 Escrows created and maintained by Chicago Title while the liquor
13 license transfer applications of fictional applicants were pending, but instead, with the
14 cooperation and assistance of Chicago Title, the lenders and investors' funds would be deposited
15 into a deposit account through Chicago Title, which Champion-Cain then treated as her personal
16 piggy bank.

17 13. Plaintiff is informed and believes, and on that basis alleges, that beginning in
18 2012, Champion-Cain began soliciting lenders to loan funds for and investors to invest money in
19 this program. Lenders and investors were told that Champion-Cain and ANI Development were
20 in the business of making short-term, high-interest loans for the liquor license transfer applicants.
21 Lenders and investors were to provide funds on behalf of the applicants that would be placed in
22 individual Chicago Title escrow accounts while the application was pending; and the funds were
23 to be returned to the lenders and investors, with interest, when the application was approved (the
24 "Liquor License Escrow Program").

25 14. Plaintiff is informed and believes, and on that basis alleges, that in 2013,
26 Champion-Cain recruited Kim Peterson ("Peterson"), a high-net-worth investor, to become one of
27 the primary investors in the Liquor License Escrow Program. Initially, Peterson loaned funds to
28 Champion-Cain for the Liquor License Escrow Program. Plaintiff is informed and believes, and

1 on that basis alleges, that Peterson invested substantial personal funds in the program and actively
2 recruited others to invest or lend funds as part of the Liquor License Escrow Program, creating
3 Kim Funding, LLC (“Kim Funding”) in April 2014 to facilitate the fundraising from investors.
4 Plaintiff is informed and believes, and on that basis alleges, that Peterson solicited over \$140
5 million in funds for the Program through Kim Funding and that he was compensated for soliciting
6 the funds.

7 15. In 2015, Peterson, who was well known in the San Diego business community,
8 approached Plaintiff to provide a loan for the Liquor License Escrow Program.

9 16. On September 9, 2015, Plaintiff, then known as San Diego Private Bank, entered
10 into that certain Business Loan Agreement with ANI License as borrower (the “Business Loan
11 Agreement”). A true and correct copy of the Business Loan Agreement is attached hereto as
12 **Exhibit 1** and incorporated herein by this reference as though set forth in full. Plaintiff is
13 informed and believes, and on that basis alleges, that ANI License is a single-purpose entity
14 established by Peterson and Champion-Cain in order to obtain loan funds from Plaintiff. The
15 Business Loan Agreement called for loan advances in the original amount of \$5,000,000.

16 17. Peterson, Peterson’s trust, Champion-Cain and Champion-Cain’s trust all
17 guaranteed the Business Loan Agreement, which was also secured by Commercial Security
18 Agreements executed by ANI License and ANI Development, which granted Plaintiff security
19 interests in all assets of the two entities, including funds in escrow accounts at Chicago Title.

20 18. The Business Loan Agreement was modified by several Change in Terms
21 Agreements that ultimately increased the line of credit to \$12,500,000. The most recent Change
22 in Terms Agreement was executed on April 4, 2017. A true and correct copy of the April 4, 2017
23 Change in Terms Agreement is attached hereto as **Exhibit 2** and incorporated herein by this
24 reference as though set forth in full.

25 19. Exhibit A within the Business Loan Agreement is a Loan Request form that was to
26 be used when an “Advance” was requested on the line of credit. The Business Loan Agreement
27 provides that “Loan proceeds and Advances will be solely for funding the Escrow Accounts of
28 persons or entities (each a ‘License Applicant’) seeking authorization from the California

1 Department of Alcohol Beverage Control (the ‘ABC’) to acquire by transfer a license issued by
2 the ABC.”

3 20. The Business Loan Agreement further provides that “Each Advance shall be
4 funded to Chicago Title Company pursuant to the form Escrow Agreement attached hereto [the
5 “Form Escrow Agreement,” as Exhibit B to the Business Loan Agreement]... or funded to a
6 Borrower account with Lender to be funded to Chicago Title Company.” Using either method,
7 advances under the Business Loan Agreement were to be used solely for funding Section 24074
8 Escrows with Chicago Title.

9 21. For each liquor license transfer applicant, the parties agreed there would be an
10 individual escrow agreement modeled after the Form Escrow Agreement that would dictate how
11 Plaintiff’s funds were to be advanced under the Business Loan Agreement (the “Individual Liquor
12 License Escrow Agreements”). In drafting the Form Escrow Agreement, Peterson provided a
13 template and Plaintiff revised it. Champion-Cain advised Plaintiff that Chicago Title reviewed
14 and approved the final Form Escrow Agreement, which identified Chicago Title as the “Escrow
15 Holder,” and provided that the parties:

16 [U]nderstand that this is a limited escrow only and is being opened for the benefit of
17 _____ (“Applicant”) who is applying for approval of a transfer to Applicant of a license
18 issued by the California Department of Alcoholic Beverage Control (“ABC”) under
19 Business and Professions Code Sections 24070-24082. The license that is the subject of
20 Applicant’s application to ABC is License No. _____ (the “License”).

21 The Form Escrow Agreement further provided that the Lender will “cause to be
22 deposited” with Escrow Holder from Plaintiff’s account a specific dollar amount (“Deposit”) to
23 be used:

24 [F]or the refundable deposit for Applicant’s application to ABC for approval of transfer to
25 Applicant of the License. The source of the funds for the Deposit shall be from an account
26 at San Diego Private Bank in the name of ANI License Fund, LLC.

27 The deposit into escrow could be released according to the Form Escrow Agreement only
28 to Plaintiff as follows:

Release of Deposit. At any time, Lender may provide written instructions to Escrow Holder
to release all or a portion of the Deposit and the interest thereon. During the term of this
Escrow, upon the written instructions from the Lender, Escrow Holder will disburse the
Deposit and, as instructed by the Lender, only to the following account:

San Diego Private Bank

....
FCC: ANI License Fund, LLC

If the escrow was terminated, the deposit also was to be disbursed only to Plaintiff as follows:

Escrow Holder shall terminate this Escrow upon the instructions of Lender or 240 days after this Escrow has been opened, unless requested to do otherwise by Lender. At the time this Escrow is terminated, the Deposit and, as instructed by the Lender, any interest thereon shall be disbursed to the ANI License Fund, LLC account referenced above.

22. The Liquor License Escrow Program appeared to Plaintiff to be operating as described. Champion-Cain or Peterson would send a Loan Request to Plaintiff for a draw on the Business Loan Agreement and Plaintiff would wire the funds to Chicago Title.

23. These requests delineated the individual liquor license transfer escrows being funded by last name of the applicant and license number. Champion-Cain or Peterson would also provide Plaintiff an escrow agreement for each application that was signed by Champion-Cain on behalf of ANI License and purportedly by one of Chicago Title's escrow officers. Plaintiff then wired funds to Chicago Title, often including instructions that delineated the purpose of the wire (to fund ABC escrows) as well as the individual liquor license applicant escrows into which the funds were to be deposited. Upon receipt of the funds, Chicago Title would issue a confirmation. Once the liquor license transfer application was ostensibly approved, Chicago Title would wire the purportedly escrowed funds back to Plaintiff with interest, again delineating the individual liquor licenses associated with the "paydown," and a confirmation would issue.

B. Overview of the Fraudulent Scheme

24. The entire Liquor License Escrow Program was a fraud. It was designed to create the illusion that lenders' funds were safe in Chicago Title's escrow accounts. To conceal and perpetuate the scheme, Champion-Cain arranged with Chicago Title to repay Plaintiff and other lenders with new or reinvested money flowing into what was effectively a Ponzi scheme.

25. In reality, Plaintiff's and other lenders' funds were placed in a non-escrow Chicago Title deposit account over which Champion-Cain exercised complete control (the "ANI Deposit Account"). Plaintiff is informed and believes, and on that basis alleges, that in May 2012, Chicago Title and ANI Development entered into an agreement, a true and correct copy of

1 which is attached hereto as **Exhibit 3** and incorporated herein by this reference as though set forth
2 in full, which did not create an escrow but rather created the ANI Deposit Account, which
3 allowed Champion-Cain unfettered access to any funds advanced by Plaintiff and other Liquor
4 License Escrow Program lenders (the “Fraudulent Escrow Agreement”). Though the document is
5 titled an “Escrow Agreement,” this agreement did not create a legal “escrow” at all. Instead, the
6 ANI Deposit Account was a depository account; there was no event or condition for the release of
7 the funds being deposited, and Champion-Cain could and did withdraw funds from the account at
8 will.

9 26. Plaintiff is informed and believes, and on that basis alleges, that the Fraudulent
10 Escrow Agreement was renewed under a different escrow number every year and was not closed
11 until the fraudulent scheme was exposed in 2019.

12 27. Plaintiff is informed and believes, and on that basis alleges, that at all relevant
13 times, Chicago Title treated the Fraudulent Escrow Agreement as the operative agreement
14 governing the loan advances wired by Plaintiff to Chicago Title.

15 **C. Chicago Title’s Role In Defrauding Plaintiff**

16 28. Plaintiff is informed and believes, and on that basis alleges, that at all relevant
17 times, Chicago Title was aware that the Liquor License Escrow Program was in fact an elaborate
18 fraud. Plaintiff is informed and believes, and on that basis alleges, that Chicago Title’s employee
19 DuCharme and others had actual knowledge of the fraudulent Liquor License Escrow Program
20 and provided substantial assistance to Champion-Cain in perpetrating her fraudulent Ponzi
21 scheme. Plaintiff is informed and believes, and on that basis alleges, that DuCharme and others,
22 while working in their capacities as escrow officers at Chicago Title, knew that Champion-Cain
23 was soliciting loans and proposing to fund the escrows of specific applicants and licenses from
24 Plaintiff and others, knew that Plaintiff and other lenders were wiring funds to Chicago Title to be
25 deposited and held in Section 24074 Escrows, by its statements, conduct, and actions agreed to
26 deposit and hold such funds in Section 24074 Escrows, yet failed to do so. Instead, they
27 deposited the funds into the ANI Deposit Account and allowed Champion-Cain to withdraw such
28 funds at will.

1 29. Chicago Title and its employees were aware of Individual Liquor License Escrow
2 Agreements, aware that Plaintiff and other lenders understood and expected that their loan
3 advances would be placed into Section 24074 Escrows, and knew that such advances were not
4 being placed into Section 24074 Escrows but instead were being placed into a deposit account
5 over which Champion-Cain had complete control. Chicago Title's knowledge is evidenced by,
6 among other things, the following facts.

7 ***Communications with Plaintiff***

8 30. At the outset of the Business Loan Agreement between Plaintiff and ANI License,
9 Plaintiff's Senior Vice President, who had worked with DuCharme and Elixman for many years
10 on traditional real property escrows, spoke with DuCharme by phone and confirmed that Plaintiff
11 would be wiring money to Chicago Title to be deposited into escrow accounts for specific liquor
12 license transfers.

13 31. In September 2015, when Plaintiff received the first set of escrow agreements to
14 be funded by the first advance under the Business Loan Agreement, Plaintiff asked Champion-
15 Cain and Peterson why the names on the list of liquor licenses being transferred did not match the
16 Individual Liquor License Escrow Agreements, and what the dates of birth and addresses were for
17 some of them. While awaiting an answer, Plaintiff contacted Chicago Title directly and asked the
18 same question, making clear to Chicago Title that Plaintiff was providing funds to be deposited
19 into escrow accounts for specific liquor license transfers mandated by Section 24074.

20 32. Chicago Title alerted Champion-Cain that Plaintiff was starting to ask questions
21 about the fraudulent scheme. Champion-Cain, with Chicago Title's knowledge, shut down the
22 communication, telling Plaintiff's loan administrator Sasha Sutherland, "Hi Sasha...Escrow called
23 to tell me you asked for this information directly from them. I really need you to go directly
24 through me on these matters and not reach out to Escrow as I handle the lawyers and Escrow
25 deals through me." Later that day, Champion-Cain continued that "poor Escrow was getting tons
26 of daily calls ... when I first started this four years [ago] asking 'when is my license closing?
27 [H]ow are we looking? blah, blah, blah ...' drove those ladies CRAZY over there...."
28

1 33. Ultimately, Plaintiff was redirected to Peterson for an explanation, who falsely told
2 Plaintiff that the names on the list of applicants did not match those on the Individual Liquor
3 License Escrow Agreements because the former is the name of the existing license owner not the
4 applicant.

5 34. The questions raised by Ms. Sutherland to Chicago Title demonstrate that, at the
6 very beginning, Chicago Title and its employees were aware that the loan advances wired to
7 Chicago Title by Plaintiff were intended to be deposited into Section 24074 Escrows to be
8 maintained by Chicago Title. Chicago Title was also aware that the loan advances wired to
9 Chicago Title by Plaintiff were not being deposited into Section 24074 Escrows, but rather were
10 flowing into the ANI Deposit Account. Nevertheless, Chicago Title concealed the truth from
11 Plaintiff and actively redirected Plaintiff to Champion-Cain to defuse Plaintiff's concerns about
12 the legitimacy of the Liquor License Escrow Program and to perpetuate the fraudulent scheme.
13 Plaintiff reasonably relied on the fact that Chicago Title redirected it to Champion-Cain and
14 Peterson and relied upon Champion-Cain and Peterson's false assurances that the Liquor License
15 Escrow Program was legitimate and operating as described.

16 ***Wiring Instructions and Confirmations***

17 35. Chicago Title also knew from Plaintiff's subsequent money wires that the loan
18 advances wired to Chicago Title by Plaintiff were intended to be deposited into Section 24074
19 Escrows for specific liquor license transfers. In wire transfer orders and instructions to Chicago
20 Title, Plaintiff often identified the individual liquor license applicant and application number for
21 the liquor license transfer escrows to be credited. For example, in a November 2017 wire,
22 Plaintiff identified the "Receiver" and "Receiving Bank" as Chicago Title's account at Union
23 Bank, and added as the "Beneficiary Information" and "Beneficiary's Bank" instructions for the
24 applicants "Yashio 474421 / Sheldon 479777 / Wolffer 330951." True and correct copies of the
25 11/2/17 Wire Transfer Order and Confirmation are attached hereto as **Exhibit 4** and incorporated
26 herein by this reference as though set forth in full.

27 36. As another example, in January 2018, Plaintiff's Wire Transfer Order identified
28 Chicago Title's account at Union Bank as the "Receiving or Intermediary Bank," and added as

1 the Beneficiary's Bank the applicants "Hernandez 328711 / Kim 423374 / Bulow 429187 / Moser
2 476623." The applicants also are identified in the Outgoing Wire -- Advice of Debit. True and
3 correct copies of the 1/29/18 Wire Transfer Order and Confirmation are attached hereto as
4 **Exhibit 5** and incorporated herein by this reference as though set forth in full.

5 37. Plaintiff's wire instructions also included a field for "OBI," which means
6 "Originator to Beneficiary Information." For example, in an October 2018 wire, Chicago Title is
7 designated as the beneficiary, but the OBI is "Escrow to Specific Escrows: 428998 \$50,000,
8 423244 \$350,000, 475620 \$275,000, 476556 \$375,000." The wire transfer instructions on
9 Chicago Title's letterhead also include an entry for "FFC," which means "For Further Credit" and
10 again identifies "Deltoro 428998 \$50,000 / Anderson 423244 \$350,000 / Bernal 475620 \$275,000
11 / Fadelli 476556 \$375,000." True and correct copies of the 10/11/18 Wire Confirmation and
12 Wire Transfer Instructions are attached hereto as **Exhibit 6** and incorporated herein by this
13 reference as though set forth in full.

14 38. Plaintiff is informed and believes, and on that basis alleges, that Chicago Title also
15 received wire transfer confirmations upon receipt of Plaintiff's deposits that likewise often bore
16 the names of the relevant liquor license transfer applicants, the respective liquor license numbers,
17 and delineated the purpose of the wire as "to fund ABC escrows."

18 39. Moreover, when Chicago Title wired money back to Plaintiff as a "pay down" of
19 the loan advance, the wiring confirmations often specifically included the names of the liquor
20 license transfer applicants and liquor license numbers to which the pay down related. Chicago
21 Title thus understood and indeed affirmatively represented to Plaintiff that Plaintiff's funds were
22 deposited into escrows for the specific applicants and application numbers specified in the
23 amounts stated.

24 ***The Individual Escrow Agreements***

25 40. Chicago Title's employees also were aware that Champion-Cain and Peterson
26 provided Individual Liquor License Escrow Agreements to Plaintiff and other lenders. Plaintiff is
27 informed and believes, and on that basis alleges, that when Plaintiff changed its name from San
28 Diego Private Bank to CalPrivate Bank in April 2018, Chicago Title was provided with a revised

1 Form Escrow Agreement and revised wiring instructions bearing the new name. Chicago Title
2 thus knew or should have known that Plaintiff was wiring funds intended to be deposited into
3 Section 24074 Escrows.

4 **D. Plaintiff's Discovery of the Fraudulent Scheme**

5 41. Plaintiff did not discover that the Liquor License Escrow Program was a fraud and
6 that Chicago Title had not deposited and maintained the loan advances Plaintiff wired to Chicago
7 Title in separate Section 24074 Escrows until August 2019, when the SEC Action was filed and
8 the Ponzi scheme collapsed.

9 42. The complaint filed in the SEC Action alerted Plaintiff that the Liquor License
10 Escrow Program was a sham, that the lists of pre-selected liquor license applicants were phony
11 and consisted primarily of cancelled or expired liquor licenses, and that Champion-Cain, with
12 Chicago Title's knowing and substantial assistance, had defrauded numerous lenders, including
13 Plaintiff, misappropriating tens of millions of dollars to maintain her Ponzi scheme and to fund
14 her various real estate, restaurant, and hospitality ventures, and personal expenses.

15 43. When federal authorities seized the illegitimate enterprise in August 2019, only
16 \$11 million remained in the ANI Deposit Account at Chicago Title, and Champion-Cain and her
17 companies owed lenders and investors over \$140 million in lost principal.

18 44. Since the SEC Action was filed, Plaintiff has been uncovering the true extent of
19 the fraudulent scheme.

20 45. First, Plaintiff learned that, to perpetuate the fraud, Chicago Title knowingly
21 allowed Champion-Cain to use fake email addresses with the domain
22 "@chicagotitleescrows.com" to impersonate Chicago Title employees when communicating with
23 Plaintiff and other lenders.

24 46. Second, as part of a liquor license transfer application, an applicant is required to
25 file an ABC-226 form with state authorities confirming under penalty of perjury that the license
26 purchase price has been deposited with the escrow holder as required by the Alcoholic Beverage
27 Control Act and provide a copy of the form to the escrow holder. Plaintiff is informed and
28 believes, and on that basis alleges, that Chicago Title was never provided with any signed ABC-

1 226 forms for any liquor license transfers, even though the form is mandatory. Given Chicago
2 Title's past experience and advertised expertise with liquor license transfer escrows, Chicago
3 Title knew and understood that the applicant for a liquor license transfer is required by law to
4 provide the escrow holder with an ABC-226 form. The fact that Chicago Title never received any
5 ABC-226 forms put Chicago Title on notice that there were no underlying liquor license transfer
6 applications and that Champion-Cain's Liquor License Escrow Program was a sham.

7 47. Third, Plaintiff learned of various communications between Champion-Cain and
8 Chicago Title employees that demonstrate that Chicago Title and its employees were aware of
9 and actively participated in the fraudulent scheme specifically as it related to Plaintiff. For
10 example, in an e-mail dated February 14, 2018, DuCharme advised Champion-Cain that Chicago
11 Title was changing its bank account to City National Bank. Champion-Cain responded rapidly
12 and emphatically:

13 **From:** Gina Champion-Cain [gina@americannationalinvestments.com]
14 **Sent:** 2/14/2018 2:57:25 PM
15 **To:** DuCharme, Della [/o=ExchangeLabs/ou=Exchange Administrative Group
(FYDIBOHF23SPDLT)/cn=Recipients/cn=9e781bc3c70b4f92b126bec318fa0135-DuCharme, Della]
16 **CC:** Cris Torres [cris@americannationalinvestments.com]; Joelle Hanson (joelle@americannationalinvestments.com)
[joelle@americannationalinvestments.com]; Elixman, Betty [/o=ExchangeLabs/ou=Exchange Administrative Group
(FYDIBOHF23SPDLT)/cn=Recipients/cn=b785759a7a444e59869e717b50e8d530-Elixman, Betty]
17 **Subject:** Re: NEW bank

18 IMPORTANT NOTICE - This message sourced from an external mail server outside of the Company.

19 WOW!!!!!! Ok, thank GOD it is NOT Banc of California!!!! I was REALLY worried about the business
20 going there or San Diego Private Bank.....

21 48. Champion-Cain was "REALLY" worried about Chicago Title's business going to
22 Plaintiff because such a change would have revealed the fraudulent scheme to Plaintiff.

23 49. Fourth, Plaintiff learned that Chicago Title knew or should have known about
24 Champion-Cain's fraudulent scheme from inquiries made by other lenders. The following are
25 some representative examples:

- 26 a. In April 2015 and just months before Plaintiff entered into the Loan Agreement
27 with Champion-Cain and Peterson, auditors at KPMG, on behalf of another lender,
28 HAV Global Macro Fund, L.P. ("HAV") wrote to Chicago Title requesting
confirmation that HAV's funds were being escrowed in individual liquor license
transfer escrow accounts. Champion-Cain interfered with the email to DuCharme
and to her colleague Joanne Reynolds instructing that they should "... just call me

1 and I'll come pick it up (I have a present for you ladies anyway)....” Chicago
2 Title’s employees knew or should have known that the audit was for their response
3 and, had they handled the audit properly, the scheme would have been revealed
4 before Plaintiff advanced any money to the Liquor License Escrow Program.

5 b. In February 2017, Peterson and Champion-Cain requested a line of credit from
6 Torrey Pines Bank for the Liquor License Escrow Program. The bank called
7 Chicago Title as part of its due diligence to discuss the escrow agreements signed
8 by “Wendy Reynolds” as the escrow officer. However, Chicago Title told the
9 bank that no Wendy Reynolds worked for it. Torrey Pines Bank inquired further
10 requesting assurance that DuCharme was an officer of Chicago Title authorized to
11 sign escrow agreements and receive transfers for escrowed funds. Chicago Title
12 then provided an “Incumbency Certificate and Authorization of Chicago Title
13 Company” certifying that DuCharme was duly qualified and acting as a “C&I
14 Escrow Officer” and that her signature on the certificate was genuine. Schwiebert
15 signed the incumbency certificate on behalf of Chicago Title as its Vice President.
16 In signing the certificate, Schwiebert also represented that DuCharme was
17 authorized to act “... pursuant to that certain Credit Agreement and related loan
18 documents dated as of February 1, 2017, between Kim Funding, LLC ... and Bank
19” The loan documents describe the Liquor License Escrow Program for
20 transferring individual licenses, yet no one at Chicago Title told any lenders,
21 including Plaintiff, that there were no such escrows. When Champion-Cain
22 learned of Chicago Title’s response to Torrey Pines that no Wendy Reynolds
23 worked there, she said Ms. Reynolds was a former employee and indicated she
24 would provide new escrow agreements signed by DuCharme.² Champion-Cain
25 then had the signature blocks changed in several dozen escrow agreements, which
26 DuCharme signed in a meeting at Chicago Title’s offices in Schwiebert’s

27 ² Up until the Torrey Pines incident in January 2017, the individual liquor license transfer escrow
28 agreements bore the signature of Wendy Reynolds on behalf of Chicago Title. Thereafter, the
agreements were purportedly signed by Betty Elixman and Della DuCharme.

1 presence, and then provided to Torrey Pines Bank. By DuCharme signing the
2 escrow agreements, she and Schwiebert knew that the funds Chicago Title was to
3 receive were for liquor license transfer escrow accounts, however, they also knew
4 that no such escrows existed at Chicago Title. Chicago Title should have known
5 that nearly identical escrow agreements, including Plaintiff's Escrow Agreements,
6 were being signed resulting in hundreds of millions of dollars flowing into
7 Chicago Title, but not being credited to individual liquor license transfer escrows.
8 Instead, Chicago Title participated in, covered up, and perpetuated the Ponzi
9 scheme.

10 c. In January 2018, auditors at KPMG, this time on behalf of investor Ovation
11 Finance Holdings, requested confirmation from Chicago Title that it held \$25
12 million of Ovation's funds in escrow pursuant to a list of 123 liquor license
13 transfer applicants. DuCharme checked the audit letter "correct," signed and
14 returned it.

15 d. In January 2019, KPMG, as part of its audit of Ovation Alternative Income Fund,
16 requested confirmation that Chicago Title held \$25 million of Ovation's funds
17 pursuant to a list of 101 applicants. Again, DuCharme checked the letter
18 "correct," signed and returned it via email using Chicago Title's correct email
19 domain.

20 **E. Chicago Title and Its Employees Profited from the Scheme**

21 50. Plaintiff is informed and believes, and on that basis alleges, that Chicago Title's
22 employees, including DuCharme, Elixman, Schwiebert, and potentially others, did not simply sit
23 on the sidelines and allow Champion-Cain to perpetuate the fraudulent scheme under their noses;
24 rather, they were willing participants who benefitted from the scheme through perks, pay-offs and
25 bonuses. The fraudulent actions of the Chicago Title employees were reasonably related to the
26 kind of work that they were employed to perform. In other words, their capacities as Chicago
27 Title escrow officers and Vice President made the fraud possible because the core service of an
28

1 escrow is to ensure the safety of escrowed funds and the disbursement of the escrowed funds
2 according to specific escrow instructions.

3 51. Plaintiff is informed and believes, and on that basis alleges, that Chicago Title
4 profited from the fraudulent scheme in many ways: Chicago Title received hundreds of thousands
5 of dollars in escrow fees; Plaintiff and other lenders directed business to Chicago Title for
6 conventional escrows in showings of good will; Champion-Cain used Chicago Title for other
7 property transactions made possible by the revenue stream from the fraudulent scheme; Chicago
8 Title received income from related services such as title insurance fees; and Chicago Title's
9 employees received bonuses as a result of the business generated with Champion-Cain and her
10 entities and ventures.

11 52. Chicago Title's employees and officers also profited directly from the fraudulent
12 liquor license scheme receiving thousands of dollars in cash and other non-cash payments from
13 Champion-Cain for their cooperation in the fraudulent scheme.

14 53. On or about January 20, 2018, DuCharme received a personal check for \$13,000
15 dated January 20, 2018, with the memo "gift." This was two days after DuCharme had falsely
16 confirmed to KPMG that Chicago Title held \$25 million in escrow for specific liquor license
17 applicants. On or about December 10, 2018, DuCharme received another check from Champion-
18 Cain for \$10,000, again with the memo "gift."

19 54. On or about January 20, 2018, Elixman received a \$5,000 personal check from
20 Champion-Cain, and on or about December 10, 2018, she received another check from
21 Champion-Cain for \$1,000, both with the same memo "gift."

22 55. Plaintiff is informed and believes, and on that basis alleges, that in July 2018,
23 DuCharme asked Champion-Cain to buy a plane ticket for her son to fly to Michigan from San
24 Diego, California, and to pay for his travel internationally.

25 56. Plaintiff is informed and believes, and on that basis alleges, that in June 2019,
26 DuCharme asked Champion-Cain to buy first-class plane tickets for her and her husband to fly
27 from San Diego, California to San Jose del Cabo, Mexico.
28

1 57. Plaintiff is informed and believes, and on that basis alleges, that DuCharme and
2 Elixman and their families also received numerous in-kind bribes of value including, without
3 limitation, food and drinks at restaurants owned by Champion-Cain, tickets for luxury suites at
4 sporting events and concerts, fees for golf tournaments and contributions to their preferred
5 organizations.

6 **F. Plaintiff's Losses**

7 58. At the time that Champion-Cain's Ponzi scheme was exposed by the SEC,
8 Plaintiff had \$12,475,000 outstanding in loan advances that purportedly were being held by
9 Chicago Title in Section 24074 Escrows. Plaintiff is informed and believes, and on that basis
10 alleges, that such advances instead were deposited into the ANI Deposit Account. None of the
11 \$12,475,000 in loan advances have been repaid to Plaintiff.

12 **FIRST CAUSE OF ACTION**
13 **BREACH OF IMPLIED CONTRACT**
14 **(Against Chicago Title)**

15 59. Plaintiff realleges and incorporates by reference each of the allegations in
16 paragraphs 1 through 58, inclusive, above.

17 60. By their statements, conduct and actions, Chicago Title entered into an implied in
18 fact agreement with Plaintiff and, specifically, agreed that in return for Plaintiff's wiring loan
19 advances to Chicago Title as part of Champion-Cain's Liquor License Escrow Program, Chicago
20 Title would deposit and maintain such advances in escrow accounts for specific liquor license
21 transfers as mandated by California law, and that, as escrow holder, it would insure that such
22 funds were only used for such purpose, and that such funds would be returned to Plaintiff upon
23 approval or termination of the liquor license transfer application.

24 61. In exchange for its services as an escrow holder, Chicago Title benefitted
25 financially by, among other things, paying itself fees out of Plaintiff's funds.

26 62. Plaintiff performed all material actions on its part to be performed under the terms
27 of the implied in fact contract.

28 63. Chicago Title breached the implied in fact contract by failing to deposit and
maintain the funds Plaintiff wired to Chicago Title into Section 24074 Escrows for specific liquor

1 license transfers, by depositing such funds instead into the ANI Deposit Account, and by allowing
2 Champion-Cain and her companies to withdraw money from said account at will and unrelated to
3 any liquor license transfers.

4 64. As a result of Chicago Title's breach of the implied in fact contract, Plaintiff has
5 been damaged in an amount according to proof, but in an amount no less than \$12,475,000.

6 65. Plaintiff is entitled to recover prejudgment interest on its lost principal.

7 **SECOND CAUSE OF ACTION**
8 **BREACH OF FIDUCIARY DUTY**
9 **(Against Chicago Title)**

10 66. Plaintiff realleges and incorporates by reference each of the allegations in
11 paragraphs 1 through 65, inclusive, above.

12 67. As the escrow holder under the implied in fact contract alleged above, Chicago
13 Title owed a fiduciary duty to Plaintiff, including, but not limited to, the duty to: (1) refrain from
14 acting against Plaintiff's interests in administering funds Plaintiff deposited into accounts Plaintiff
15 believed to be controlled by the individual liquor license transfer escrow agreements; (2) disclose
16 any materially adverse information, such as the nature of the ANI Deposit Account; (3) exercise
17 reasonable skill and diligence in carrying out the individual liquor license transfer escrow
18 agreements; and (4) act on Plaintiff's behalf with the utmost good faith and not seek an advantage
19 over Plaintiff by any type of misconduct, misrepresentation, or concealment.

20 68. Chicago Title, acting through its agents within the scope of their employment,
21 breached its fiduciary duties by its acts and omissions alleged herein.

22 69. In committing the acts and omissions alleged herein, Chicago Title knowingly
23 acted against Plaintiff's interests and instead acted in the interests of itself and Champion-Cain
24 and her companies, whose interests were adverse to Plaintiff's interests.

25 70. As a proximate result of Chicago Title's breach of fiduciary duties as alleged
26 herein, Plaintiff has been damaged in an amount according to proof, but in an amount no less than
27 \$12,475,000.

28 71. Plaintiff is entitled to prejudgment interest on its lost principal.

72. Defendants' acts and omissions have been willful, oppressive, fraudulent and malicious and were committed with the intention of depriving Plaintiff of its property and rights, and were despicable conduct that has subjected Plaintiff to hardship in conscious disregard of its rights, justifying an award of exemplary and punitive damages.

THIRD CAUSE OF ACTION
FRAUD
(Against all Defendants)

73. Plaintiff realleges and incorporates by reference each of the allegations in paragraphs 1 through 72, inclusive, above.

74. As part of the fraudulent Liquor License Escrow Program, Chicago Title, through its agents acting within the scope of their employment, made false and misleading statements, knowing the statements were false and misleading or made in reckless disregard of the truth by, among other things:

a. When Plaintiff first called Chicago Title to confirm the nature of the escrows, DuCharme represented to Plaintiff that the loan advances wired by Plaintiff to Chicago Title would be used for the Liquor License Escrow Program.

b. In other communications with Chicago Title both before and just after the initial loan advances, DuCharme and Elixman represented to Plaintiff that Chicago Title would safeguard the loan advances wired by Plaintiff to Chicago Title in separate escrow accounts.

c. When Chicago Title wired "pay downs" to Plaintiff, it included specific information in the wiring confirmations that identified the specific transfer applicant escrows and licenses to be credited, thus indicating to Plaintiff that the loan advances it was wiring to Chicago Title would be deposited into separate escrow accounts for such liquor license transfers.

75. Defendants knew these representations and statements were false. They knew that the loan advances wired by Plaintiff to Chicago Title were not deposited into separate escrow accounts for liquor license transfers, and they knew instead that the advances were deposited into the ANI Deposit Account over which Champion-Cain had unfettered control.

1 76. Defendants owed a duty to disclose material facts to Plaintiff on account of their
2 relationship and interactions with Plaintiff, including their acceptance of funds to be held in
3 individual escrow accounts during the pendency of liquor license transfer applications. Not only
4 did Defendants affirmatively misrepresent material facts about the true nature of the Liquor
5 License Escrow Program, Defendants also failed to disclose material facts, with the intent to
6 defraud and deceive Plaintiff, as follows:

7 a. Defendants concealed that individual liquor license transfer escrows were
8 not being used when Plaintiff initially revised the Form Escrow Agreement despite the
9 express requirements of the agreement.

10 b. Defendants failed to answer, when Plaintiff called Chicago Title before the
11 first wire transfer was sent, why the names on the list of applicants did not match the
12 escrows, which would have revealed the fraudulent scheme.

13 c. Defendants concealed that when advances were wired from Plaintiff to
14 Defendants, including confirmations that identified the specific transfer applicant escrows
15 and licenses to be credited, as well as the purpose of the wire (“to fund ABC escrows”),
16 that no such escrow accounts existed.

17 d. Defendants concealed that when “pay downs” were wired to Plaintiff,
18 including confirmations that identified the specific transfer applicant escrows and licenses
19 to be credited, that no such escrow accounts existed.

20 e. Defendants approved revisions to Plaintiff’s Form Escrow Agreement
21 when it changed its name from San Diego Private Bank to CalPrivate Bank, but failed to
22 disclose that there were no individual liquor license transfer escrows.

23 f. Defendants concealed that they were not receiving ABC-226 forms for
24 each liquor license transfer escrow as required by law, which would have revealed the
25 fraudulent scheme.

26 g. Defendants concealed that they were ignoring the requirements of the ABC
27 in connection with the fraudulent Liquor License Escrow Program.
28

1 h. Defendants concealed that they had received inquiries from other lenders
2 that exposed the fraudulent nature of the Liquor License Escrow Program.

3 i. Defendants concealed that they were not creating individual escrows
4 described in the Individual Liquor License Escrow Agreements.

5 j. Defendants failed to inform Plaintiff of the nature of the ANI Deposit
6 Account and that the loan advances wired by Plaintiff to Chicago Title were deposited
7 into this account rather than individual liquor license transfer escrows.

8 77. Defendants intended that Plaintiff would rely on their false and misleading
9 statements and omissions and knew that Plaintiff was relying on them in continuing to fund the
10 Business Loan Agreement and wire funds to Chicago Title, and in increasing the amount of the
11 loan that Plaintiff believed was being used for liquor license transfer escrows.

12 78. Plaintiff reasonably relied on Defendants' false and misleading statements and
13 omissions and on the long-established reputation of Chicago Title, in funding and continuing to
14 wire funds to Chicago Title as part of the Liquor License Escrow Program. Had Plaintiff known
15 that the loan advances it wired to Chicago Title were not going to be deposited and maintained in
16 separate liquor license transfer escrows, it would not have entered into the Business Loan
17 Agreement and it would not have wired funds to Chicago Title as part of the Liquor License
18 Escrow Program.

19 79. Plaintiff is informed and believes, and on that basis alleges, that Chicago Title's
20 employees and agents, including DuCharme, Elixman, and Schwiebert, were acting in concert
21 with Champion-Cain, were aware that Plaintiff was wiring loan advances to Chicago Title as part
22 of the Liquor License Escrow Program, yet being diverted to the ANI Deposit Account, and were
23 taking bribes from Champion-Cain, knowing that Plaintiff would be damaged.

24 80. As a proximate result of Defendants' false and misleading statements, and acts and
25 omissions, Plaintiff suffered monetary damages in an amount according to proof, but no less than
26 \$12,475,000, and compensatory, incidental, and other damages in amounts to be established in
27 this action.

28 81. Plaintiff is entitled to prejudgment interest on its lost principal.

1 82. Defendants' acts and omissions have been willful, oppressive, fraudulent and
2 malicious and were committed with the intention of depriving Plaintiff of its property and rights,
3 and were despicable conduct that has subjected Plaintiff to hardship in conscious disregard of its
4 rights, justifying an award of exemplary and punitive damages.

5 **FOURTH CAUSE OF ACTION**
6 **AIDING AND ABETTING FRAUD**
7 **(Against all Defendants)**

8 83. Plaintiff realleges and incorporates by reference each of the allegations in
9 paragraphs 1 through 82, inclusive, above.

10 84. As part of their fraudulent scheme, Champion-Cain and ANI License made factual
11 representations in contracts that were not true at the time they were made. For example, in the
12 Business Loan Agreement, they represented that the loan proceeds would be used solely for
13 funding specific escrow accounts of persons seeking ABC authorization for the transfer of a
14 liquor license issued by ABC. The representations were made for the purpose of inducing
15 Plaintiff to fund the fraudulent Liquor License Escrow Program.

16 85. Plaintiff is informed and believes, and on that basis alleges, that Defendants had
17 actual or constructive knowledge of the fraudulent scheme and conspired with Champion-Cain to
18 perpetrate it. Among other things, they knew or should have known that Champion-Cain was
19 using fake email addresses to impersonate DuCharme, Elixman, and others employed or
20 purportedly employed by Chicago Title. They also knew that Champion-Cain was diverting the
21 loan advances wired by Plaintiff to Chicago Title to the ANI Deposit Account over which she had
22 complete control.

23 86. Plaintiff is informed and believes, and on that basis alleges, that DuCharme,
24 Elixman, and Schwiebert, and therefore Chicago Title, also had actual knowledge of the
25 fraudulent scheme as evidenced by the bribes received from Champion-Cain.

26 87. Plaintiff is informed and believes, and on that basis alleges, that Defendants
27 actively participated in the fraudulent scheme and gave substantial assistance to Champion-Cain
28 and ANI Development in perpetuating the fraud upon Plaintiff as alleged herein. While acting
within the scope of their employment and authority, they made false statements to facilitate the

1 scheme; failed to disclose facts they had a duty to disclose to Plaintiff; allowed Champion-Cain to
2 impersonate them in emails; and, processed hundreds of millions of dollars in wire transfers into
3 and out of Champion-Cain's ANI Deposit Account.

4 88. Defendants' acts were a substantial factor in causing the harm sustained by
5 Plaintiff. Without Defendants' assistance and cooperation, Champion-Cain would never have
6 been able to initiate and maintain her fraudulent scheme.

7 89. As a proximate result of Defendants' aiding and abetting Champion-Cain and ANI
8 License's fraud, Plaintiff suffered monetary damages in an amount according to proof, but no less
9 than \$12,475,000, and compensatory, incidental, and other damages in amounts to be established
10 in this action.

11 90. Plaintiff is entitled to prejudgment interest on its lost principal.

12 91. Defendants' acts and omissions have been willful, oppressive, fraudulent, and
13 malicious and were committed with the intention of depriving Plaintiff of its property and rights,
14 and were despicable conduct that has subjected Plaintiff to hardship in conscious disregard of its
15 rights, justifying an award of exemplary and punitive damages.

16 **FIFTH CAUSE OF ACTION**
17 **CONSPIRACY TO DEFRAUD**
(Against all Defendants)

18 92. Plaintiff realleges and incorporates by reference each of the allegations in
19 paragraphs 1 through 91, inclusive, above.

20 93. Chicago Title was aware that Champion-Cain and ANI were committing fraud and
21 intended to commit fraud, including against Plaintiff.

22 94. Chicago Title entered into an agreement with Champion-Cain and ANI and
23 intended that Champion-Cain and ANI commit fraud against Plaintiff.

24 95. Plaintiff was injured by Chicago Title's conspiracy to defraud Plaintiff.

25 96. Chicago Title acted with oppression, fraud, or malice in conspiring with
26 Champion-Cain and ANI.

27 97. Chicago Title had knowledge of the unfitness of DuCharme and Elixman at a
28 minimum on account of the knowledge of fraudulent activity Chicago Title gained on account of

1 the Torrey Pines Bank incident described in Paragraphs 135-153 of the Model Complaint.
2 Nevertheless, Chicago Title acted with reckless disregard of the rights of Plaintiff in continuing to
3 employ DuCharme, Elixman, and Schwiebert for years while they participated in the
4 ANI/Chicago Title scheme. Moreover, Chicago Title expressly or implicitly authorized or
5 ratified their actions when Schwiebert signed the incumbency certificate.

6 98. Further, Chicago Title allowed DuCharme, Elixman, and Schwiebert to act with
7 substantial autonomy in connection with the ANI/Chicago Title scheme. As such, DuCharme,
8 Elixman, and Schwiebert were permitted to make ad hoc formulation of Chicago Title policy
9 making them managing agents of Chicago Title for purposes of imposition of punitive damages
10 under California Civil Code § 3294(b).

11 99. Chicago Title's conduct as described herein was willful, wanton, malicious, and
12 fraudulent such that it is liable to Plaintiff for punitive damages under California Civil Code §
13 3294.

14 **SIXTH CAUSE OF ACTION**
15 **NEGLIGENT MISREPRESENTATION**
16 **(Against all Defendants)**

17 100. Plaintiff realleges and incorporates by reference each of the allegations in
18 paragraphs 1 through 99, inclusive, above.

19 101. As part of the fraudulent Liquor License Escrow Program, Chicago Title, through
20 its agents acting within the scope of their employment, made false and misleading statements, that
21 they had no reasonable grounds for believing were true by, among other things:

22 a. When Plaintiff first called Chicago Title to confirm the nature of the
23 escrows, DuCharme represented to Plaintiff that the loan advances wired by Plaintiff to
24 Chicago Title would be used for the Liquor License Escrow Program.

25 b. In other communications with Chicago Title, both before and just after the
26 initial loan advances, DuCharme represented to Plaintiff that Chicago Title would
27 safeguard the loan advances wired by Plaintiff to Chicago Title in separate escrow
28 accounts.

1 c. When Chicago Title wired “pay downs” to Plaintiff, it included specific
2 information in the wiring confirmations that identified the specific transfer applicant
3 escrows and licenses which were to be credited, thus indicating to Plaintiff that the loan
4 advances it was wiring to Chicago Title would be deposited into separate escrow accounts
5 for such liquor license transfers.

6 102. Defendants should have known that these representations and statements were
7 false. They knew that the loan advances wired by Plaintiff to Chicago Title were not deposited
8 into separate escrow accounts for liquor license transfers, and they knew that, instead, the
9 advances were deposited into the ANI Deposit Account over which Champion-Cain had
10 unfettered control.

11 103. Defendants intended that Plaintiff would rely on their false and misleading
12 statements and omissions and knew that Plaintiff was relying on them in continuing to fund the
13 Business Loan Agreement and wire funds to Chicago Title, and in increasing the amount of the
14 loan that Plaintiff believed was being used for liquor license transfer escrows.

15 104. Plaintiff reasonably relied on Defendants’ false and misleading statements and
16 omissions and on the long-established reputation of Chicago Title, in funding and continuing to
17 wire funds to Chicago Title as part of the Liquor License Escrow Program. Had Plaintiff known
18 that the funds it wired to Chicago Title were not going to be used for liquor license transfer
19 escrows, it would not have entered into the Business Loan Agreement and it would not have
20 wired funds to Chicago Title as part of the Liquor License Escrow Program.

21 105. As a proximate result of Defendants’ negligent misrepresentations, Plaintiff
22 suffered monetary damages in an amount according to proof, but no less than \$12,475,000, and
23 compensatory, incidental, and other damages in amounts to be established in this action.

24 106. Plaintiff is entitled to prejudgment interest on its lost principal.

25 **SEVENTH CAUSE OF ACTION**
26 **NEGLIGENCE**
(Against all Defendants)

27 107. Plaintiff realleges and incorporates by reference each of the allegations in
28 paragraphs 1 through 106, inclusive, above.

1 108. Defendants owed Plaintiff a duty of care because, among other things: Chicago
2 Title held itself out as having expertise in liquor license transfers; the Individual Liquor License
3 Escrow Agreements were intended to protect Plaintiff as a third-party beneficiary; Chicago Title
4 accepted money from Plaintiff designated to be held in individual liquor license transfer escrows
5 during the pendency of particular liquor license applicants' applications; the Fraudulent Escrow
6 Agreement did not create an escrow at all, yet Defendants knew Plaintiff's funds were being
7 deposited into the ANI Deposit Account and not individual liquor license transfer escrows;
8 Plaintiff's escrow instructions to Chicago Title identified the liquor license transfer escrow
9 accounts into which its funds were to be deposited; and, given Defendants' knowledge of the
10 above, it was foreseeable to Defendants that Plaintiff would be harmed if its funds were not
11 properly protected.

12 109. Defendants' duty of care included, among other things, a duty to monitor Chicago
13 Title's business and escrow officers to ensure that its employees were not using its
14 instrumentalities to carry out, and aid and abet fraudulent schemes to deprive Plaintiff of its
15 funds. Plaintiff is informed and believes, and on that basis alleges, that Defendants' duty of care
16 was particularly important after Chicago Title's employees previously had used its
17 instrumentalities in a different fraud case and Chicago Title was ordered to pay millions in
18 damages.

19 110. Defendants breached their duty of care by, among other things, Chicago Title
20 misled Plaintiff into believing it was an expert in liquor license transfer escrows; failing to
21 safeguard Plaintiff's funds; and failing to detect or prevent its escrow officers from using its
22 instrumentalities to assist Champion-Cain in operating the fraudulent Liquor License Escrow
23 Program.

24 111. Defendants' negligence was a substantial factor in causing Plaintiff's harm.

25 112. As a proximate result of Defendants' negligence, Plaintiff suffered monetary
26 damages in an amount according to proof, but no less than \$12,475,000, and compensatory,
27 incidental, and other damages in amounts to be established in this action.

28 113. Plaintiff is entitled to prejudgment interest on its lost principal.

EIGHTH CAUSE OF ACTION
VIOLATION OF PENAL CODE SEC. 496
(Against all Defendants)

114. Plaintiff realleges and incorporates by reference each of the allegations in paragraphs 1 through 113, inclusive, above.

115. Defendants knowingly received property that was stolen from Plaintiff by Champion-Cain and ANI.

116. Pursuant to California Penal Code Section 496(c), Plaintiff seeks to recover three times the actual damages it has suffered on account of Defendants' violation of Penal Code Section 496, and attorneys' fees.

NINTH CAUSE OF ACTION
UNFAIR COMPETITION IN VIOLATION OF CALIFORNIA BUSINESS AND
PROFESSIONS CODE §§ 17200 *ET SEQ.*
(Against all Defendants)

117. Plaintiff realleges and incorporates by reference each of the allegations in paragraphs 1 through 116, inclusive, above.

118. On repeated occasions, Chicago Title represented to Plaintiff, or knew that Champion-Cain was representing to Plaintiff, that the Holding Funds Account was an "escrow account," including in "escrow receipts" that Chicago Title generated and knew were being transmitted to lenders or investors in the ANI program.

119. An escrow account, however, requires three participants—a depositor, an escrow agent, and a recipient. As defined under the statutes that regulate Chicago Title's escrow practices, an escrow account is a "depository account with a financial institution to which funds are deposited with respect to any transaction wherein *one person*, for the purpose of effecting the sale, transfer, encumbering or leasing of real or personal property to *another person*, delivers any written instrument, money, evidence of title to real or personal property, or other thing of value *to a third person* to be held by that third person until the happening of a specified event or the performance of a prescribed condition, when it is then to be delivered by that third person to a grantee, grantor, promise, promisor, obligee, obligor, bailee, bailor or agency of the latter." Ins. Code § 12413.1(f) (emphasis added); *see also* Civ. Code § 1057; Fin. Code § 17043.3.

1 120. The Holding Funds Account was not, in fact, an escrow account, because: (1) the
2 only parties to it were ANI and Chicago Title; and (2) it did not place any conditions on the
3 release of the depositors' funds. It was therefore unlawful and fraudulent for Chicago Title to
4 describe it as such.

5 121. Under § 12413.5 of the Insurance Code, funds deposited into escrow "shall be the
6 property of the person or persons entitled thereto under the provisions of the escrow" and funds
7 placed into escrow "shall be used only to fulfill the terms of the individual escrow for which the
8 funds were accepted and none of the funds shall be utilized until the conditions of the escrow
9 have been met."

10 122. Plaintiff never gave Chicago Title instructions regarding the manner in which the
11 funds they deposited were to be disbursed and the Holding Funds Account instructions between
12 Champion-Cain and Chicago Title did not reflect that third parties' funds were to be deposited
13 into the Holding Funds Account. Under the circumstances, title to the deposited funds remained
14 at all time with Plaintiff, and given that no pertinent instructions were ever provided, no
15 conditions to their disbursement otherwise could have been met. Chicago Title thus has violated
16 Insurance Code § 12413.5 by disbursing Plaintiff's funds at the direction of Champion-Cain.

17 123. Under § 1057.5 of the Civil Code: "No escrow agent shall enter into any
18 agreement, either of his own making or of a subsidiary nature, or through any other person having
19 a dual capacity or through any person having a direct or indirect interest in the escrow, or other
20 device, permitting any fee, commission, or compensation which is contingent upon the
21 performance of any act, condition, or instruction set forth in an escrow, to be drawn or paid, either
22 in whole or in part, or in kind or its equivalent, prior to the actual closing and completion of the
23 escrow."

24 124. Notwithstanding that obligation, on numerous occasions, Chicago Title,
25 DuCharme, Elixman, and Schwiebert accepted payments of money or commissions from ANI or
26 Champion-Cain prior to the closing of the Holding Funds Account, and which payments were
27 conditioned, whether expressly or impliedly on their ongoing agreement to permit ANI to
28

1 continue withdrawing and directing the withdrawal of Plaintiff's and other investors or lenders'
2 funds from the Holding Funds Account.

3 125. Chicago Title's acts and statements in connection with the Holding Funds Account
4 were thus unlawful and fraudulent business acts or practices proscribed by Business &
5 Professions Code § 17200.

6 126. Had Chicago Title correctly described the nature of the Holding Funds Account
7 and the ANI Loan Program to Plaintiff, Plaintiff would never have deposited, lent, or invested
8 any funds in connection with the ANI Program. Had Chicago Title delivered a copy of the
9 unsigned third-party instructions to Plaintiff, Plaintiff would have known that the ANI scheme
10 was fraudulent and ceased to deposit, lend, or invest money and demanded withdrawal of any
11 money they had deposited with ANI. Plaintiff thus lost money and property due to Chicago
12 Title's unfair competition.

13 127. Plaintiff is entitled to equitable relief for Chicago Title's unfair competition,
14 including, at minimum, restitution of any of Plaintiff's funds held by Chicago Title at the time the
15 ANI scheme collapsed.

16 **PRAYER FOR RELIEF**

17 WHEREFORE, Plaintiff prays for judgment as follows:

- 18 1. For monetary damages according to proof in an amount no less than \$12,475,000;
 - 19 2. For prejudgment interest on its lost principal;
 - 20 3. For other compensatory and incidental damages according to proof;
 - 21 4. For punitive and exemplary damages according to proof;
 - 22 5. For treble damages;
 - 23 6. For attorneys' fees as allowed by law;
 - 24 7. For costs of suit incurred herein; and
 - 25 8. For such other and further legal and equitable relief as the Court may deem just
26 and proper.
- 27
28

1 Dated: February 19, 2021

O'MELVENY & MYERS LLP

2
3 By: /s/ Michael G. Yoder

4 Michael G. Yoder

Adam G. Levine

5 Attorneys for Plaintiff

CALPRIVATE BANK

EXHIBIT 1

BUSINESS LOAN AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$5,000,000.00	09-09-2015	03-10-2017	52246				

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

THIS BUSINESS LOAN AGREEMENT dated September 9, 2015, is made and executed between ANI License Fund, LLC, a California limited liability company ("Borrower") and SAN DIEGO PRIVATE BANK ("Lender") on the following terms and conditions. Borrower has applied to Lender for a commercial loan or loans ("Loan or Loans") or other financial accommodations. Borrower understands and agrees that: (A) In granting, renewing, or extending any Loan, Lender is relying upon Borrower's representations, warranties, and agreements as set forth in this Agreement; (B) the granting, renewing, or extending of any Loan by Lender at all times shall be subject to Lender's sole judgment and discretion; and (C) all such Loans shall be and remain subject to the terms and conditions of this Agreement.

TERM. This Agreement shall be effective as of September 9, 2015, and shall continue in full force and effect until such time as all of Borrower's Loans in favor of Lender have been paid in full, including principal, interest, costs, expenses, attorneys' fees, and other fees and charges, or until such time as the parties may agree in writing to terminate this Agreement.

BORROWER'S BUSINESS. Loan proceeds and Advances will be solely for funding the Escrow Accounts of persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by the ABC.

LOAN ADVANCES. Borrower may request an Advance by submitting to Lender a completed Loan Request in the form attached as Exhibit A at least three (3) days prior to the proposed funding. Each Advance shall be funded to Chicago Title Company pursuant to the form of Escrow Agreement attached hereto as Exhibit B. In the alternative, an Advance may be funded to a Borrower account with Lender to be funded to Chicago Title Company as provided in this Agreement. The date on which each Advance shall be repaid (the "Due Date") shall be three Business Days following the earliest of (1) the date License Applicant delivers to Escrow Holder the License Applicant's funds to replace the principal amount of the Advance, (2) the date the License Applicant's license transfer escrow is terminated because the ABC disapproved the License Applicant's transfer application, or (3) the date that is 240 days after the Loan Date for such Advance. Borrower shall pay to Lender for each Advance Lender's standard wire transfer fees.

CONDITIONS PRECEDENT TO EACH ADVANCE. Lender's obligation to make the initial Advance and each subsequent Advance under this Agreement shall be subject to the fulfillment to Lender's satisfaction of all of the conditions set forth in this Agreement and in the Related Documents.

Loan Documents. Borrower shall provide to Lender the following documents for the Loan: (1) the Note; (2) Security Agreements granting to Lender security interests in the Collateral; (3) financing statements and all other documents perfecting Lender's Security Interests; (4) evidence of insurance as required below; (5) guaranties; (6) together with all such Related Documents as Lender may require for the Loan; all in form and substance satisfactory to Lender and Lender's counsel.

Borrower's Authorization. Borrower shall have provided in form and substance satisfactory to Lender properly certified resolutions, duly authorizing the execution and delivery of this Agreement, the Note and the Related Documents. In addition, Borrower shall have provided such other resolutions, authorizations, documents and instruments as Lender or its counsel, may require.

Payment of Fees and Expenses. Borrower shall have paid to Lender all fees, charges, and other expenses which are then due and payable as specified in this Agreement or any Related Document.

Representations and Warranties. The representations and warranties set forth in this Agreement, in the Related Documents, and in any document or certificate delivered to Lender under this Agreement are true and correct.

No Event of Default. There shall not exist at the time of any Advance a condition which would constitute an Event of Default under this Agreement or under any Related Document.

REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants to Lender, as of the date of this Agreement, as of the date of each disbursement of loan proceeds, as of the date of any renewal, extension or modification of any Loan, and at all times any indebtedness exists:

Organization. Borrower is a limited liability company which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California. Borrower is duly authorized to transact business in the State of California and all other states in which Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which Borrower is doing business. Specifically, Borrower is, and at all times shall be, duly qualified as a foreign limited liability company in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. Borrower maintains its principal office at 4439 Lamont Street, San Diego, CA 92109. Unless Borrower has designated otherwise in writing, the principal office is the office at which Borrower keeps its books and records including its records concerning the Collateral. Borrower will notify Lender prior to any change in the location of Borrower's state of organization or any change in Borrower's name. Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to Borrower and Borrower's business activities.

Assumed Business Names. Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by Borrower. Excluding the name of Borrower, the following is a complete list of all assumed business names under which Borrower does business: None.

Authorization. Borrower's execution, delivery, and performance of this Agreement and all the Related Documents have been duly authorized by all necessary action by Borrower and do not conflict with, result in a violation of, or constitute a default under (1) any provision of (a) Borrower's articles of organization or membership agreements, or (b) any agreement or other instrument binding upon Borrower or (2) any law, governmental regulation, court decree, or order applicable to Borrower or to Borrower's properties.

Financial Information. Each of Borrower's financial statements supplied to Lender truly and completely disclosed Borrower's financial condition as of the date of the statement, and there has been no material adverse change in Borrower's financial condition subsequent to the date of the most recent financial statement supplied to Lender. Borrower has no material contingent obligations except as disclosed in such financial statements.

Legal Effect. This Agreement constitutes, and any instrument or agreement Borrower is required to give under this Agreement when delivered will constitute legal, valid, and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms.

Properties. Except as contemplated by this Agreement or as previously disclosed in Borrower's financial statements or in writing to Lender and as accepted by Lender, and except for property tax liens for taxes not presently due and payable, Borrower owns and has good title to all of Borrower's properties free and clear of all Security Interests, and has not executed any security documents or financing statements relating to such properties. All of Borrower's properties are titled in Borrower's legal name, and Borrower has not used or filed a financing statement under any other name for at least the last five (5) years.

Litigation and Claims. No litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Borrower is pending or threatened, and no other event has occurred which may materially adversely affect Borrower's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by Lender in writing.

Taxes. To the best of Borrower's knowledge, all of Borrower's tax returns and reports that are or were required to be filed, have been filed, and all taxes, assessments and other governmental charges have been paid in full, except those presently being or to be contested by Borrower in good faith in the ordinary course of business and for which adequate reserves have been provided.

Lien Priority. Unless otherwise previously disclosed to Lender in writing, Borrower has not entered into or granted any Security Agreements, or permitted the filing or attachment of any Security Interests on or affecting any of the Collateral directly or indirectly securing repayment of Borrower's Loan and Note, that would be prior or that may in any way be superior to Lender's Security Interests and rights in and to such Collateral.

Binding Effect. This Agreement, the Note, all Security Agreements (if any), and all Related Documents are binding upon the signers thereof, as well as upon their successors, representatives and assigns, and are legally enforceable in accordance with their respective terms.

FINANCIAL STATEMENT CERTIFICATION. The undersigned hereby certifies to San Diego Private Bank ("Lender") that all financial information ("information") submitted to Lender now and at all times during the term of this loan does, and will, fairly and accurately represent the financial condition of the undersigned, all Borrowers, and Guarantors. Financial information includes, but is not limited to, all Business Financial Statements (including Interim and Year-End financial statements that are company prepared and/or CPA prepared), Business Income Tax Returns, Borrowing Base Certificates, Accounts Receivable and Accounts Payable agings, Personal Financial Statements, third party verification statements, and Personal Income Tax Returns. The undersigned understands that Lender will rely on all information, whenever provided, and that such information is a material inducement to Lender to make, to continue to make, or otherwise extend credit accommodations to the undersigned. The undersigned covenants and agrees to notify Lender of any adverse material changes in her/his/its financial condition in the future. The undersigned further understands and acknowledges that there are criminal penalties for giving false financial information to federal insured financial institutions.

AFFIRMATIVE COVENANTS. Borrower covenants and agrees with Lender that, so long as this Agreement remains in effect, Borrower will:

Notices of Claims and Litigation. Promptly inform Lender in writing of (1) all material adverse changes in Borrower's financial condition, and (2) all existing and all threatened litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower or any Guarantor which could materially affect the financial condition of Borrower or the financial condition of any Guarantor.

Financial Records. Maintain its books and records in accordance with GAAP, applied on a consistent basis, and permit Lender to examine and audit Borrower's books and records at all reasonable times.

Financial Statements. Furnish Lender with such financial statements and other related information at such frequencies and in such detail as Lender may reasonably request.

Additional Information. Furnish such additional information and statements, as Lender may request from time to time.

Guaranties. Prior to disbursement of any Loan proceeds, furnish executed unlimited guaranties of the Loans in favor of Lender, executed by the guarantors named below, on Lender's forms, and in the amounts and under the conditions set forth in those guaranties.

Names of Guarantors

Kim H. Peterson

Peterson Family Trust dated April 14,
1992

Gina Champlon-Cain

The Gina Champlon-Cain Revocable
Trust Agreement dated June 26, 2012

Other Agreements. Comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party and notify Lender immediately in writing of any default in connection with any other such agreements.

Loan Proceeds. Loan proceeds and Advances will be solely for funding the Escrow Accounts of persons or entities (each a "License Applicant")

seeking authorization from the ABC to acquire by transfer a license issued by the ABC.

Taxes, Charges and Liens. Pay and discharge when due all of its indebtedness and obligations, including without limitation all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon Borrower or its properties, income, or profits, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of Borrower's properties, income, or profits. Provided however, Borrower will not be required to pay and discharge any such assessment, tax, charge, levy, lien or claim so long as (1) the legality of the same shall be contested in good faith by appropriate proceedings, and (2) Borrower shall have established on Borrower's books adequate reserves with respect to such contested assessment, tax, charge, levy, lien, or claim in accordance with GAAP.

Performance. Perform and comply, in a timely manner, with all terms, conditions, and provisions set forth in this Agreement, in the Related Documents, and in all other instruments and agreements between Borrower and Lender. Borrower shall notify Lender immediately in writing of any default in connection with any agreement.

Compliance with Governmental Requirements. Comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the conduct of Borrower's properties, businesses and operations, and to the use or occupancy of the Collateral, including without limitation, the Americans With Disabilities Act. Borrower may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Borrower has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Collateral are not jeopardized. Lender may require Borrower to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Inspection. Permit employees or agents of Lender at any reasonable time to inspect any and all Collateral for the Loan or Loans and Borrower's other properties and to examine or audit Borrower's books, accounts, and records and to make copies and memoranda of Borrower's books, accounts, and records. If Borrower now or at any time hereafter maintains any records (including without limitation computer generated records and computer software programs for the generation of such records) in the possession of a third party, Borrower, upon request of Lender, shall notify such party to permit Lender free access to such records at all reasonable times and to provide Lender with copies of any records it may request, all at Borrower's expense.

Additional Assurances. Make, execute and deliver to Lender such promissory notes, mortgages, deeds of trust, security agreements, assignments, financing statements, instruments, documents and other agreements as Lender or its attorneys may reasonably request to evidence and secure the Loans and to perfect all Security Interests.

BORROWER'S FINANCIAL REQUIREMENTS.

ANNUAL STATEMENTS. As requested by Lender, Borrower shall provide to Lender, as soon as available, annually, a company prepared consolidated balance sheet and income statement for the preceding calendar year end, in form satisfactory to Lender. Statements may be due more often if requested by Lender.

TAX RETURNS. Borrower shall provide to Lender within 30 days of the required filed date, copies of Federal and other governmental tax returns for the preceding calendar year. If extensions are filed, copies of such extensions are to be provided immediately upon filing.

If requested by Lender, Borrower shall provide other items of financial nature as deemed necessary.

GUARANTOR'S FINANCIAL REQUIREMENTS.

PERSONAL FINANCIAL STATEMENTS. As requested by Lender, Borrower shall cause each Guarantor to provide to Lender a self prepared personal financial statement to include a schedule of real estate owned, in form satisfactory to Lender.

TAX RETURNS. Borrower shall cause Guarantor to provide to Lender within 30 days of the required filed date, copies of Federal and other governmental tax returns for the preceding calendar year. If extensions are filed, copies of such extensions are to be provided immediately upon filing.

If requested by Lender, Borrower shall cause Guarantor to provide other items of financial nature as deemed necessary.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Borrower fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Borrower's failure to discharge or pay when due any amounts Borrower is required to discharge or pay under this Agreement or any Related Documents, Lender on Borrower's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on any Collateral and paying all costs for insuring, maintaining and preserving any Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Borrower. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity.

NEGATIVE COVENANTS. Borrower covenants and agrees with Lender that while this Agreement is in effect, Borrower shall not, without the prior written consent of Lender:

Indebtedness and Liens. (1) Except for trade debt incurred in the normal course of business and indebtedness to Lender contemplated by this Agreement, create, incur or assume indebtedness for borrowed money, including capital leases, (2) sell, transfer, mortgage, assign, pledge, lease, grant a security interest in, or encumber any of Borrower's assets (except as allowed as Permitted Liens), or (3) sell with recourse any of Borrower's accounts, except to Lender.

Continuity of Operations. (1) Engage in any business activities substantially different than those in which Borrower is presently engaged, (2) cease operations, liquidate, merge, transfer, acquire or consolidate with any other entity, change its name, dissolve or transfer or sell Collateral out of the ordinary course of business, or (3) make any distribution with respect to any capital account, whether by reduction of capital or otherwise.

Loans, Acquisitions and Guaranties. (1) Loan, invest in or advance money or assets to any other person, enterprise or entity, (2) purchase, create or acquire any interest in any other enterprise or entity, or (3) incur any obligation as surety or guarantor other than in the ordinary course

of business.

Agreements. Enter into any agreement containing any provisions which would be violated or breached by the performance of Borrower's obligations under this Agreement or in connection herewith.

CESSATION OF ADVANCES. If Lender has made any commitment to make any Loan to Borrower, whether under this Agreement or under any other agreement, Lender shall have no obligation to make Loan Advances or to disburse Loan proceeds if: (A) Borrower or any Guarantor is in default under the terms of this Agreement or any of the Related Documents or any other agreement that Borrower or any Guarantor has with Lender; (B) Borrower or any Guarantor dies, becomes incompetent or becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged a bankrupt; (C) there occurs a material adverse change in Borrower's financial condition, in the financial condition of any Guarantor, or in the value of any Collateral securing any Loan; or (D) any Guarantor seeks, claims or otherwise attempts to limit, modify or revoke such Guarantor's guaranty of the Loan or any other loan with Lender.

DEFAULT. Each of the following shall constitute an event of default "Event of Default" under this Agreement:

Payment Default. Borrower fails to make any payment when due under the Loan.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or any Grantor's property or Borrower's or any Grantor's ability to repay the Loans or perform their respective obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the Loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Loan is impaired.

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If any default, other than a default on Indebtedness, is curable and if Borrower or Grantor, as the case may be, has not been given a notice of a similar default within the preceding twelve (12) months, it may be cured if Borrower or Grantor, as the case may be, after Lender sends written notice to Borrower or Grantor, as the case may be, demanding cure of such default: (1) cure the default within ten (10) days; or (2) if the cure requires more than ten (10) days, immediately initiate steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continue and complete all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

INTEREST AFTER DEFAULT- FINANCIAL INFORMATION. If Borrower, Guarantor or any other party fails to provide financial statements, tax returns, operating statements, or other information required from Borrower, Guarantor or any other party as required under the Promissory Note, the Business Loan Agreement or any other agreement/document executed in connection with the loan, Lender shall at Lender's sole discretion, if permitted under applicable law, immediately increase the interest rate by adding an additional five (5.000) percentage point margin ("Default Rate Margin"). The Default Rate Margin shall also apply to each succeeding interest rate change that would have applied had there been no default.

EFFECT OF AN EVENT OF DEFAULT. If any Event of Default shall occur, except where otherwise provided in this Agreement or the Related Documents, all commitments and obligations of Lender under this Agreement or the Related Documents or any other agreement immediately will terminate (including any obligation to make further Loan Advances or disbursements), and, at Lender's option, all Indebtedness immediately will become due and payable, all without notice of any kind to Borrower, except that in the case of an Event of Default of the type described in the "Insolvency" subsection above, such acceleration shall be automatic and not optional. In addition, Lender shall have all the rights and remedies provided in the Related Documents or available at law, in equity, or otherwise. Except as may be prohibited by applicable law, all of Lender's rights and remedies shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower or of any Grantor shall not affect Lender's right to declare a default and to exercise its rights and remedies.

AUDITS AND REVIEWS. Borrower authorizes Lender, or its agent, to conduct accounts receivable audits, financial audits, appraisals, inspections and audits at Borrower's place of business as Lender deems necessary. Borrower agrees to pay the cost of such audits and appraisals.

BANKING RELATIONSHIP. Borrower shall maintain its primary banking relationship with Lender. This means the majority of deposit accounts, balances and loans.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Borrower agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Consent to Loan Participation. Borrower agrees and consents to Lender's sale or transfer, whether now or later, of one or more participation interests in the Loan to one or more purchasers, whether related or unrelated to Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to the Loan, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interests in the Loan and will have all the rights granted under the participation agreement or agreements governing the sale of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participation interest and unconditionally agrees that either Lender or such purchaser may enforce Borrower's obligation under the Loan irrespective of the failure or insolvency of any holder of any interest in the Loan. Borrower further agrees that the purchaser of any such participation interests may enforce its interests irrespective of any personal claims or defenses that Borrower may have against Lender.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of California.

Choice of Venue. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of San Diego County, State of California.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Borrower, or between Lender and any Grantor, shall constitute a waiver of any of Lender's rights or of any of Borrower's or any Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address. Unless otherwise provided or required by law, if there is more than one Borrower, any notice given by Lender to any Borrower is deemed to be notice given to all Borrowers.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Subsidiaries and Affiliates of Borrower. To the extent the context of any provisions of this Agreement makes it appropriate, including without limitation any representation, warranty or covenant, the word "Borrower" as used in this Agreement shall include all of Borrower's subsidiaries and affiliates. Notwithstanding the foregoing however, under no circumstances shall this Agreement be construed to require Lender to make any loan or other financial accommodation to any of Borrower's subsidiaries or affiliates.

Successors and Assigns. All covenants and agreements by or on behalf of Borrower contained in this Agreement or any Related Documents shall bind Borrower's successors and assigns and shall inure to the benefit of Lender and its successors and assigns. Borrower shall not, however, have the right to assign Borrower's rights under this Agreement or any interest therein, without the prior written consent of Lender.

Survival of Representations and Warranties. Borrower understands and agrees that in making the Loan, Lender is relying on all representations, warranties, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender under this Agreement or the Related Documents. Borrower further agrees that regardless of any investigation made by Lender, all such representations, warranties and covenants will survive the making of the Loan and delivery to Lender of the Related Documents, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's indebtedness shall be paid in full, or until this Agreement shall be terminated in the manner provided above, whichever is the last to occur.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this

Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. Accounting words and terms not otherwise defined in this Agreement shall have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date of this Agreement:

Advance. The word "Advance" means a disbursement of Loan funds made, or to be made, to Borrower or on Borrower's behalf on a the revolving line of credit described in the Note under the terms and conditions of this Agreement.

Agreement. The word "Agreement" means this Business Loan Agreement, as this Business Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Business Loan Agreement from time to time.

Borrower. The word "Borrower" means ANI License Fund, LLC, a California limited liability company, and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all property and assets granted as collateral security for a Loan, whether real or personal property, whether granted directly or indirectly, whether granted now or in the future, and whether granted in the form of a security interest, mortgage, collateral mortgage, deed of trust, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien, charge, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

GAAP. The word "GAAP" means generally accepted accounting principles.

Grantor. The word "Grantor" means each and all of the persons or entities granting a Security Interest in any Collateral for the Loan, including without limitation all Borrowers granting such a Security Interest.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Loan.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means SAN DIEGO PRIVATE BANK, its successors and assigns.

License Applicant. The term "License Applicant" means those persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by the ABC.

Loan. The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced, including without limitation those loans and financial accommodations described herein or described on any exhibit or schedule attached to this Agreement from time to time.

Note. The word "Note" means the Note dated September 8, 2015 and executed by ANI License Fund, LLC, a California limited liability company, in the original principal amount of \$5,000,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Permitted Liens. The words "Permitted Liens" mean (1) liens and security interests securing indebtedness owed by Borrower to Lender; (2) liens for taxes, assessments, or similar charges either not yet due or being contested in good faith; (3) liens of materialmen, mechanics, warehousemen, or carriers, or other like liens arising in the ordinary course of business and securing obligations which are not yet delinquent; (4) purchase money liens or purchase money security interests upon or in any property acquired or held by Borrower in the ordinary course of business to secure indebtedness outstanding on the date of this Agreement or permitted to be incurred under the paragraph of this Agreement titled "Indebtedness and Liens"; (5) liens and security interests which, as of the date of this Agreement, have been disclosed to and approved by the Lender in writing; and (6) those liens and security interests which in the aggregate constitute an immaterial and insignificant monetary amount with respect to the net value of Borrower's assets.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.

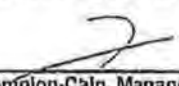
Security Agreement. The words "Security Agreement" mean and include without limitation any agreements, promises, covenants, arrangements, understandings or other agreements, whether created by law, contract, or otherwise, evidencing, governing, representing, or creating a Security Interest.


Security Interest. The words "Security Interest" mean, without limitation, any and all types of collateral security, present and future, whether in the form of a lien, charge, encumbrance, mortgage, deed of trust, security deed, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever whether created by law, contract, or otherwise.

BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS BUSINESS LOAN AGREEMENT AND BORROWER AGREES TO ITS TERMS. THIS BUSINESS LOAN AGREEMENT IS DATED SEPTEMBER 9, 2016.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 
Gina Champion-Cain, Manager of ANI License Fund,
LLC, a California limited liability company

By: 
Kim H. Peterson, Manager of ANI License Fund, LLC,
a California limited liability company

LENDER:

SAN DIEGO PRIVATE BANK


By: 
Authorized Signer

Exhibit A

LOAN REQUEST

To: San Diego Private Bank
9404 Genesee Avenue, Suite 100
La Jolla, California 92037

Attn: Betsy Chadwick

ANI License Fund, LLC ("Borrower"), hereby requests from San Diego Private Bank ("SDPB") an Advance in the amount of \$ _____ on _____, 20 ____ (the "Loan Date") pursuant to the Business Loan Agreement between Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please wire funds to:

Bank:	Union Bank, Monterey Park, CA
Escrow Agent:	Chicago Title Company
ABA Number:	122000496
Account Number:	0010425492
Reference:	Escrow/Title Order No. 32743-DD
Escrow Office Name:	Della Ducharme Unit

Borrower represents that the conditions precedent to the Advance set forth in the Agreement are satisfied and shall be satisfied upon the making of such Advance, including but not limited to (i) that no event that has had or could reasonably be expected to have a material adverse effect has occurred and is continuing; (ii) that the representations and warranties set forth in the Agreement are and shall be true and correct in all material respects on and as of the Loan Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date; (iii) that Borrower is in compliance with all the terms and provisions set forth in each Loan Document on its part to be observed or performed; and (iv) that as of the Loan Date, no fact or condition exists that would (or would, with the passage of time, the giving of notice, or both) constitute an Event of Default under the Loan Documents. Borrower understands and acknowledges that SDPB has the right to review the financial information supporting this representation and Lender may decline to fund the requested Advance if following such review SDPB reasonably concludes such representation is not accurate in any material respect.

Borrower hereby represents that Borrower's entity status and locations have not changed since the date of the Agreement.

Borrower agrees to notify SDPB promptly before the funding of the Advance if any of the matters which have been represented above were not true and correct on the Loan Date, and if Lender has received no such notice before the Loan Date, then the statements set forth above shall be deemed to have been made and shall be deemed to be true and correct as of the Loan Date.

Executed as of _____, 20 ____

ANI License Fund, LLC,

By _____
Kim H. Peterson or Gina Champion Cain

Exhibit B

Escrow No. _____-00-DD

Chicago Title Company
701 B Street, Suite 760
San Diego, CA 92101

ESCROW AGREEMENT
(Holding Funds)

This Escrow Agreement ("Agreement") is made and entered into as of _____, 20__ by and between ANI Development, LLC, a California limited liability company ("Lender") and Chicago Title Company, a California corporation ("Escrow Holder").

RECITALS

Lender desires to deposit certain funds and direct others to deposit certain funds (the "Deposit") into this Escrow and to provide Escrow Holder with written instructions setting forth the conditions under which Escrow Holder will invest and hold the funds and ultimately disburse them.

Lender and Escrow Holder understand that this is a limited escrow only and is being opened for the benefit of _____ ("Applicant"), who is applying for approval of a transfer to Applicant of a license issued by the California Department of Alcoholic Beverage Control ("ABC") under Business and Professions Code Sections 24070-24082. The license that is the subject of Applicant's application to ABC is License No. _____ ("the License").

NOW, THEREFORE, the parties agree as follows:

AGREEMENTS

Deposit. Within five business days following the date this Agreement is signed by Lender and Escrow Holder, Lender will cause to be deposited a total sum of _____ ("the Deposit") with Escrow Holder for the refundable deposit for Applicant's application to ABC for approval of transfer to Applicant of the License. The source of funds for the Deposit shall be from an account at San Diego Private Bank in the name of ANI License Fund, LLC. Escrow Holder will do the following:

Invest Funds. Place the Deposit into an interest bearing account with all interest accruing to the account of Lender. Concurrently herewith Lender will provide Escrow Holder with the required IRS Form W-9 and Investment Instructions required to establish such account.

226 Form. Escrow Holder shall send to ABC a completed Form 226 upon Escrow Holder's receipt of the Deposit.

Ownership of Deposit. It is acknowledged and understood that only ANI License Fund LLC has an ownership interest in the Deposit and that Lender has no ownership interest in the Deposit and has no

right to direct the disposition of the Deposit except as set forth in and as provided in the Release of Deposit paragraph as follows.

Release of Deposit. At any time, Lender may provide written instructions to Escrow Holder to release all or a portion of the Deposit and the interest thereon. During the term of this Escrow, upon the written instructions from the Lender, Escrow Holder will disburse the Deposit and, as instructed by the Lender, only to the following account:

San Diego Private Bank
ABA#122244029
FCC: ANI License Fund, LLC
A/C#: 212792

Upon receipt of such instructions, Escrow Holder's only duty is to comply with said instructions and to disburse the Deposit as requested by Lender and in accordance with this Escrow Agreement.

Escrow Holder's Requirement to Terminate Escrow. Escrow Holder shall terminate this Escrow upon the instructions of Lender or 240 days after this Escrow has been opened, unless requested to do otherwise by the Lender. At the time that this Escrow is terminated, the Deposit and, as instructed by the Lender, any interest thereon shall be disbursed to the ANI License Fund, LLC account referenced above, and all remaining funds shall be disbursed to Lender unless otherwise directed, less Escrow Holder's unpaid fees.

Escrow Holder's Fee. Lender shall pay to Escrow Holder a fee in the amount of \$1,000.00 for Escrow Holder's services provided in connection with this Escrow, which fee shall be paid \$500.00 upon Escrow Holder's receipt of the Deposit and \$500.00 upon Escrow Holder's release of the Deposit.

Escrow Holder's General Provisions. By signature hereon, Lender approves Escrow Holder's General Provisions, a copy of which is attached to this Agreement as Exhibit "A" and are incorporated by reference as if fully set forth in this section.

Escrow Holder's Wiring Instructions. By signature hereon, Lender approves Escrow Holder's Wiring Instructions directive, a copy of which is attached to the Agreement as Exhibit "B" and are incorporated by reference as if fully set forth in this section.

Third Party Beneficiary. The Lender and the Escrow Holder agree that San Diego Private Bank shall be, and is hereby, named an express third party beneficiary of this Agreement, with full rights as such. The language of this Agreement relating to "Release of Deposit" and "Escrow Holder's Requirement to Terminate Escrow" cannot be amended without the advance written consent of the San Diego Private Bank.

IN WITNESS WHEREOF, this Agreement has been executed by the parties effective as of the date indicated above.

LENDER

By:
Date:

ESCROW HOLDER

By:
Date:

Exhibit "A"
GENERAL PROVISIONS

1. DEPOSIT OF FUNDS

The law dealing with the disbursement of funds requires that all funds be available for withdrawal as a matter of right by the title entity's escrow and/or sub escrow account prior to disbursement of any funds. Only cash or wire-transferred funds can be given immediate availability upon deposit. Cashier's checks, teller's checks and Certified checks may be available one business day after deposit. All other funds such as personal, corporate or partnership checks and drafts are subject to mandatory holding periods which may cause material delays in disbursement of funds in this escrow. In order to avoid delays, all fundings should be wire transferred. Outgoing wire transfers will not be authorized until confirmation of the respective incoming wire transfer or of availability of deposited checks.

Deposit of funds into general escrow trust account unless instructed otherwise. You may instruct Escrow Holder to deposit your funds into an interest bearing account by signing and returning the "Notice of Opportunity to Open Interest Bearing Account", which has been provided to you. If you do not so instruct us, then all funds received in this escrow shall be deposited with other escrow funds in one or more general escrow trust accounts, which include both non-interest bearing demand accounts and other depository accounts of Escrow Holder, in any state or national bank or savings and loan association insured by the Federal Deposit Insurance Corporation (the "depository institutions") and may be transferred to any other such escrow trust accounts of Escrow Holder or one of its affiliates, either within or outside the State of California. A general escrow trust account is restricted and protected against claims by third parties and creditors of Escrow Holder and its affiliates.

Receipt of benefits by Escrow Holder and affiliates. The parties to this escrow acknowledge that the maintenance of such general escrow trust accounts with some depository institutions may result in Escrow Holder or its affiliates being provided with an array of bank services, accommodations or other benefits by the depository institution. Some or all of those benefits may be considered interest due you under California Insurance Code Section 12413.5. Escrow Holder or its affiliates also may elect to enter into other business transactions with or obtain loans for investment or other purposes from the depository institution. All such services, accommodations, and other benefits shall accrue to Escrow Holder or its affiliates and Escrow Holder shall have no obligation to account to the parties to this escrow for the value of such services, accommodations, interest or other benefits.

Said funds will not earn interest unless the instructions otherwise specifically state that funds shall be deposited in an interest-bearing account. All disbursements shall be made by check or (PROFCNTR). The principals to this escrow are hereby notified that the funds deposited herein are insured only to the limit provided by the Federal Deposit Insurance Corporation. Any instruction for bank wire will provide reasonable time or notice for Escrow Holder's compliance with such instruction. Escrow Holder's sole duty and responsibility shall be to place said wire transfer instructions with its wiring bank upon confirmation of (1) satisfaction of conditions precedent or (2) document recordation at close of escrow. Escrow Holder will NOT be held responsible for lost interest due to wire delays caused by any bank or the Federal Reserve System, and recommends that all parties make themselves aware of banking regulations with regard to placement of wires.

In the event there is insufficient time to place a wire upon any such confirmation or the wires have closed for the day, the parties agree to provide written instructions for an alternative method of disbursement. **WITHOUT AN ALTERNATIVE DISBURSEMENT INSTRUCTION, FUNDS WILL BE HELD IN TRUST IN A NON-INTEREST BEARING ACCOUNT UNTIL THE NEXT OPPORTUNITY FOR WIRE PLACEMENT.**

2. PROMOTIONS AND ADJUSTMENTS

All promotions and/or adjustments called for in this escrow are to be made on the basis of a thirty (30) day month unless otherwise instructed in writing. You are to use information contained on last available tax statement, rental statement as provided by the Seller, beneficiary's statement and fire insurance policy delivered into escrow for the promotions provided for herein.

3. SUPPLEMENTAL TAXES

The within described property may be subject to supplemental real property taxes due to the change of ownership taking place through this escrow. Any supplemental real property taxes arising as a result of the transfer of the property to Buyer shall be the sole responsibility of Buyer and any supplemental real property taxes arising prior to the closing date shall be the sole responsibility of the Seller. **TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER.**

4. UTILITIES/POSSESSION

Transfer of utilities and possession of the premises are to be settled by the parties directly and outside escrow.

5. PREPARATION AND RECORDATION OF INSTRUMENTS

Escrow Holder is authorized to prepare, obtain, record and deliver the necessary instruments to carry out the terms and conditions of this escrow and to order the policy of title insurance to be issued at close of escrow as called for in these instructions. Close of escrow shall mean the date instruments are recorded.

6. AUTHORIZATION TO FURNISH COPIES

You are authorized to furnish copies of these instructions, supplements, amendments, notices of cancellation and closing statements, to the Real Estate Broker(s) and Lender(s) named in this escrow.

7. RIGHT OF CANCELLATION

Any principal instructing you to cancel this escrow shall file notice of cancellation in your office in writing. You shall, within two (2) working days thereafter, deliver one copy of such notice to each of the other principals at the addresses stated in this escrow. **UNLESS WRITTEN**

OBJECTION TO CANCELLATION IS FILED IN YOUR OFFICE BY A PRINCIPAL WITHIN TEN (10) DAYS AFTER DATE OF SUCH MAILING, YOU ARE AUTHORIZED TO COMPLY WITH SUCH NOTICE AND DEMAND PAYMENT OF YOUR CANCELLATION CHARGES. If written objection is filed, you are authorized to hold all money and instruments in this escrow and take no further action until otherwise directed, either by the principals' mutual written instructions, or by final order of a court of competent jurisdiction.

8. PERSONAL PROPERTY

No examination or insurance as to the amount or payment of personal property taxes is required unless specifically requested.

By signing these General Provisions, the parties to the escrow hereby acknowledge that they are indemnifying the Escrow Holder against any and all matters relating to any "Bulk Sales" requirements, and instruct Escrow Agent to proceed with the closing of escrow without any consideration of matter of any nature whatsoever regarding "Bulk Sales" being handled through escrow.

9. RIGHT OF RESIGNATION

Escrow Holder has the right to resign upon ten (10) days written notice delivered to the principals herein. If such right is exercised, all funds and documents shall be returned to the party who deposited them and Escrow Holder shall have no liability hereunder.

10. AUTHORIZATION TO EXECUTE ASSIGNMENT OF HAZARD INSURANCE POLICIES

Either Buyer, Seller and/or Lender may hand you the insurance agent's name and insurance policy information, and you are to execute, on behalf of the principals hereto, form assignments of interest in any insurance policy (other than title insurance) called for in this escrow, forward assignment and policy to the insurance agent, requesting that the insurer consent to such transfer and/or attach a loss payable

clause and/or such other endorsements as may be required, and forward such policy(s) to the principals entitled thereto. It is not your responsibility to verify the information provided you or the assignability of said insurance. Your sole duty is to forward said request to insurance agent at close of escrow.

Further, there shall be no responsibility upon the part of Escrow Holder to renew hazard insurance policy(s) upon expiration or otherwise keep it in force either during or subsequent to the close of escrow. Cancellation of any existing hazard insurance policies is to be handled directly by the principals, and outside of escrow.

11. ACTION IN INTERPLEADER

The principals hereto expressly agree that you, as Escrow Holder, have the absolute right at your election to file an action in interpleader requiring the principals to answer and litigate their several claims and rights among themselves and you are authorized to deposit with the clerk of the court all documents and funds held in this escrow. In the event such action is filed, the principals jointly and severally agree to pay your cancellation charges and costs, expenses and reasonable attorney's fees which you are required to expend or incur in such interpleader action, the amount thereof to be fixed and judgment therefore to be rendered by the court. Upon the filing of such action, you shall thereupon be fully released and discharged from all obligations imposed by the terms of this escrow or otherwise.

12. TERMINATION OF AGENCY OBLIGATION

If there is no action taken on this escrow within six (6) months after the "time limit date" as set forth in the escrow instructions or written extension thereof, your agency obligation shall terminate at your option and all documents, monies or other items held by you shall be returned to the parties depositing same. In the event of cancellation of this escrow, whether it be at the request of any of the principals or otherwise, the fees and charges due (PROFCNTR), including expenditures incurred and/or authorized shall be borne equally by the parties hereto (unless otherwise agreed to specifically).

13. CONFLICTING INSTRUCTIONS

Upon receipt of any conflicting instructions, you are to take no action in connection with this escrow until non-conflicting instructions are received from all of the principals to this escrow (subject to sections 7, 9, 11 and 12 above).

14. REIMBURSEMENT ATTORNEY FEES/ESCROW HOLDER

In the event that a suit is brought by any party or parties to these escrow instructions to which the Escrow Holder is named as a party which results in a judgment in favor of the Escrow Holder and against a principal or principals herein, the principals or principals' agent agree to pay said Escrow Holder all costs, expenses and reasonable attorney's fees which it may expend or incur in said suit, the amount thereof to be fixed and judgment therefore to be rendered by the court in said suit.

15. DELIVERY/RECEIPT

Delivery to principals as used in these instructions unless otherwise stated herein is to be by regular mail, and receipt is determined to be 72 hours after such mailing. All documents, balances and statements due to the undersigned are to be mailed to the address shown herein. All notices, change of instructions, communications and documents are to be delivered in writing to the office of Chicago Title Company as set forth herein.

16. STATE/FEDERAL CODE NOTIFICATIONS

According to Federal Law, the Seller, when applicable, will be required to complete a sales activity report that will be utilized to generate a 1099 statement to the Internal Revenue Service.

Pursuant to State Law, prior to the close of escrow, Buyer will provide Escrow Holder with a Preliminary Change of Ownership Report. In the event said report is not handed to Escrow Holder for submission to the County in which subject property is located, upon recording of the Grant Deed, Buyers acknowledge that the applicable fee will be assessed by said County and Escrow Holder shall debit the account of Buyer for same at close of escrow.

Buyer and Seller herein represent and warrant that they will seek and obtain independent legal advice and counsel relative to their obligations under the "Foreign Investors in Real Property Act", and any other applicable federal and/or state laws regarding same, and will take all steps necessary in order to comply with such requirements and hereby hold you harmless relative to their compliance therewith.

17. ENCUMBRANCES

Escrow Holder is not upon any statements furnished by a lienholder or his agent without liability or responsibility for the accuracy of such statements. Any adjustments necessary because of a discrepancy between the information furnished Escrow Holder and any amount later determined to be correct shall be settled between the parties direct and outside of escrow.

You are authorized, without the need for further approval, to debit my account for any fees and charges that I have agreed to pay in connection with this escrow, and for any amounts that I am obligated to pay to the holder of any lien or encumbrance to establish the title as insured by the policy of title insurance called for in these instructions. If for any reason my account is not debited for such amounts at the time of closing, I agree to pay them immediately upon demand, or to reimburse any other person or entity who has paid them.

18. ENVIRONMENTAL ISSUES

Chicago Title Company has made no investigation concerning said property as to environmental/toxic waste issues. Any due diligence required or needed to determine environmental impact as to fumes of toxication, if applicable, will be done directly and by principals outside of escrow. Chicago Title Company is released of any responsibility and/or liability in connection therewith.

19. USURY

Escrow Holder is not to be concerned with any questions of usury in any loan or encumbrance involved in the processing of this escrow and is hereby released of any responsibility or liability therefore.

20. DISCLOSURE

Escrow Holder's knowledge of matters affecting the property, provided such facts do not prevent compliance with these instructions, does not create any liability or duty in addition to these instructions.

21. FACSIMILE SIGNATURE

Escrow Holder is hereby authorized and instructed that, in the event any party utilizes "facsimile" transmitted signed documents or instructions to Escrow Holder, you are to rely on the same for all escrow instruction purposes and the closing of escrow as if they bore original signatures. Each party shall make every effort to provide to the other party and to Escrow Holder, within 72 hours after transmission, duplicate original documents or instructions bearing the original signatures. Each party further acknowledges and agrees that documents with non-original signatures may not be accepted for recording by the County Recorder, therefore no closing or recording may take place without the submission of the original documents.

22. CLARIFICATION OF DUTIES

Chicago Title Company serves ONLY as an Escrow Holder in connection with these instructions and cannot give legal advice to any party hereto.

Escrow Holder is not to be held accountable or liable for the sufficiency or correctness as to form, number of execution, or validity of any instrument deposited in this escrow, nor as to the identity, authority or rights of any person executing the same. Escrow Holder's duties hereunder shall be limited to the proper handling of such money and the proper safekeeping of such instruments, or other documents received by Escrow Holder, and for the disposition of same in accordance with the written instructions accepted by Escrow Holder.

The agency and duties of Escrow Holder commence only upon receipt of copies of these Escrow Instructions executed by all parties.

23. FUNDS HELD IN ESCROW

When the company has funds remain in escrow over 90 days after close of escrow or estimated close of escrow, the Company shall impose a monthly holding fee of \$25.00 that is to be charged against the funds held by the Company.

THIS AGREEMENT IN ALL PARTS APPLIES TO, INURES TO THE BENEFIT OF, AND BINDS ALL PARTIES HERETO, THEIR HEIRS, LEGATRES, DEVISEES, ADMINISTRATORS, EXECUTORS, SUCCESSORS AND ASSIGNS, AND WHENEVER THE CONTEXT SO REQUIRES THE MASCULINE GENDER INCLUDES THE FEMININE AND NEUTER, AND THE SINGULAR NUMBER INCLUDES THE PLURAL. THESE INSTRUCTIONS AND ANY OTHER AMENDMENTS MAY BE EXECUTED IN ANY NUMBER OF COUNTERPARTS, EACH OF WHICH SHALL BE CONSIDERED AS AN ORIGINAL AND BE EFFECTIVE AS SUCH.

MY SIGNATURE HERE TO CONSTITUTES INSTRUCTION TO ESCROW HOLDER OF ALL TERMS AND CONDITIONS CONTAINED IN THIS AND ALL PRECEDING PAGES AND FURTHER SIGNIFIES THAT I HAVE READ AND UNDERSTAND THESE GENERAL PROVISIONS.

Chicago Title Company conducts escrow business under a Certificate of Authority No. 350 issued by the California Department of Insurance.

EXHIBIT "B"

Wiring Instructions

All Funds related to the Section on Release of the Initial Deposit held in Escrow will be wired on behalf of Lender directly to the following:

Name of Bank:	San Diego Private Bank
Address of Bank:	9404 Genessee Avenue, Suite 100
City and State:	La Jolla, CA 92037
ABA Number:	122244029
FCC:	ANI License Fund, LLC
Bank Account Number:	212792

EXHIBIT 2

CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	03-10-2018	52246			PA	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

Principal Amount: \$12,500,000.00

Initial Rate: 7.000%

Date of Agreement: April 4, 2017

DESCRIPTION OF EXISTING INDEBTEDNESS.

Promissory Note dated September 9, 2015 in the original Principal Amount of \$5,000,000.00 as modified by Change in Terms Agreement dated June 20, 2016 increasing the Principal Amount to \$7,500,000.00 together with all renewals, extensions and modifications related thereto (the "Note").

DESCRIPTION OF COLLATERAL.

Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264001 (ANI License Fund, LLC) and Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264485 (ANI Development, LLC).

DESCRIPTION OF CHANGE IN TERMS.

Effective March 10, 2017, the Note is hereby modified as follows:

1. The date on which all outstanding principal is due and payable together with any accrued but unpaid interest (the "Maturity Date") is hereby extended from March 10, 2017 to March 10, 2018.
2. The Principal Amount of the Note is hereby increased from \$7,500,000.00 to \$12,500,000.00. Borrower promises to pay to Lender, the principal amount of \$12,500,000.00, or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance made under the Note.
3. The section entitled LINE OF CREDIT is modified to include the following as subsection (F). Borrower acknowledges and agrees that the current combined legal lending limit of Lender and Lender's participant is \$12,448,000. Unless and until such lending limit is increased, Borrower will not receive advances and will not request advances in excess of the amount of \$12,448,000.

The Business Loan Agreement is modified as follows:

1. The section entitled Guaranties is hereby modified as follows: ANI Development, LLC is hereby added as an unlimited Guarantor.
2. Commercial Guaranty of even date by ANI Development, LLC, a California limited liability company is executed concurrently with this Agreement.
3. The section entitled LOAN ADVANCES is hereby modified and restated as follows: Borrower may request an Advance by submitting to Lender a completed Loan Request in the form attached as Exhibit A at least three (3) days prior to the proposed funding. Each Advance shall be funded to Chicago Title Company pursuant to the form of Escrow Agreement attached hereto as Exhibit B. In the alternative, an Advance may be funded to a Borrower account with Lender to be funded to Chicago Title Company as provided in this Agreement. The date on which each Advance shall be repaid (the "Due Date") shall be three Business Days following the earliest of (1) the date License Applicant delivers to Escrow Holder the License Applicant's funds to replace the principal amount of the Advance, (2) the date the License Applicant's license transfer escrow is terminated because the ABC disapproved the License Applicant's transfer application, or (3) the date that is 300 days after the Loan Date for such Advance. Borrower shall pay to Lender for each Advance Lender's standard wire transfer fees. Borrower acknowledges and agrees that funds received from Chicago Title Company ("Escrow Holder") for repayment of each Advance shall be deposited into the Borrower's DDA account #212792 ("Restricted Account"). Borrower acknowledges and agrees that Borrower shall have no control over or access to the Restricted Account under any circumstances. Lender is hereby irrevocably authorized to debit the Restricted Account and credit Loan #52246 for the principal and interest owed on each Advance being repaid by Escrow Holder without any additional approval from Borrower. After Lender debits the Restricted Account for repayment of a particular Advance, Lender shall deposit any remaining funds held in the Restricted Account related to such Advance into the Borrower's DDA account # 00219355 ("Unrestricted Account"). Borrower shall have access only to the Unrestricted Account.
4. Add the following provision: **CONTRACTUAL COMMITMENT TO ADVANCE FUNDS.** The Lender agrees to advance funds under this Loan as long as the outstanding principal balance combined with all other outstanding obligations of the Borrower to the Lender and the amount of such advance is within the Lender's lending limit on the date of funding as determined under 12 U.S.C. 84 and regulations thereunder. If the advance of funds requested by Borrower will cause the Borrower's combined outstanding obligations to be greater than the institution's lending limit, then the Lender shall have no obligation to make such advance. The Lender's refusal to advance funds to Borrower under this condition will not be considered a breach of this contract and will release the Lender from its obligation to advance funds.

All other terms and conditions shall remain the same.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on March 10, 2018. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning April 10, 2017, with all subsequent interest payments to be due on the same day of each month after that.

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the U. S. Prime Rate as published in the Money Rates section of the Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 4.000% per annum. Interest on the unpaid principal balance of this loan will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 3.000 percentage points over the Index, resulting in an initial rate of 7.000%. NOTICE: Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this loan is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year (365 for all years, including leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this loan is computed using this method.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does

**CHANGE IN TERMS AGREEMENT
(Continued)**

Loan No: 52246

Page 2

not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

GUARANTOR EXHIBIT. An exhibit, titled "GUARANTOR EXHIBIT," is attached to this Agreement and by this reference is made a part of this Agreement just as if all the provisions, terms and conditions of the Exhibit had been fully set forth in this Agreement.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 

Gina Champion-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By: 

Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

LENDER:

SAN DIEGO PRIVATE BANK

x 

Authorized Signer

EXHIBIT A to Business Loan Agreement
(Loan Request Form)

Exhibit A
LOAN REQUEST

To: San Diego Private Bank
9404 Genesee Avenue, Suite 100
La Jolla, California 92037

Attn: Betsy Chadwick

ANI License Fund, LLC ("Borrower"), hereby requests from San Diego Private Bank ("SDPB") a Loan in the amount of \$ _____ on _____, 20__ (the "Loan Date") pursuant to the Loan Agreement between Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please wire funds to:

Bank: Union Bank, Monterey Park, CA
Escrow Agent: Chicago Title Company
ABA Number: 122000496
Account Number: 0010425492
Reference: Escrow/Title Order No. 32743-DD 66061DD
Escrow Office Name: Della Ducharme Unit

Borrower represents that the conditions precedent to the Loan set forth in the Agreement are satisfied and shall be satisfied upon the making of such Loan, including but not limited to (i) that no event that has had or could reasonably be expected to have a material adverse effect has occurred and is continuing; (ii) that the representations and warranties set forth in the Agreement are and shall be true and correct in all material respects on and as of the Loan Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date; (iii) that Borrower is in compliance with all the terms and provisions set forth in each Loan Document on its part to be observed or performed; and (iv) that as of the Loan Date, no fact or condition exists that would (or would, with the passage of time, the giving of notice, or both) constitute an Event of Default under the Loan Documents. Borrower understands and acknowledges that SDPB has the right to review the financial information supporting this representation and Lender may decline to fund the requested Loan if following such review SDPB reasonably concludes such representation is not accurate in any material respect.

Borrower hereby represents that Borrower's corporate status and locations have not changed since the date of the Agreement.

Borrower agrees to notify SDPB promptly before the funding of the Loan if any of the matters which have been represented above were not true and correct on the Loan Date, and if Lender has received no such notice before the Loan Date, then the statements set forth above shall be deemed to have been made and shall be deemed to be true and correct as of the Loan Date.

Executed as of _____, 20__

ANI License Fund, LLC,

By _____
Kim H. Peterson or Gina Champion Cain

EXHIBIT B to Business Loan Agreement
(Escrow Agreement)

Escrow No. 66061-DD

Chicago Title Company
701 B Street, Suite 760
San Diego, California 92101

ESCROW AGREEMENT
(Holding Funds)

This Escrow Agreement ("Agreement") is made and entered into as of _____, 2017, by and between ANI Development, LLC, a California limited liability company ("Lender"), and Chicago Title Company, a California corporation ("Escrow Holder").

R E C I T A L S

Lender desires to deposit certain funds and direct others to deposit certain funds (the "Deposit") into this Escrow and to provide Escrow Holder with written instructions setting forth the conditions under which Escrow Holder will invest and hold the funds and ultimately disburse them.

Lender and Escrow Holder understand that this is a limited escrow only and is being opened for the benefit of _____ ("Applicant"), who is applying for approval of a transfer to Applicant of a license issued by the California Department of Alcoholic Beverage Control ("ABC") under Business and Professions Code sections 24070-24082. The license that is the subject of Applicant's application to ABC is License No. _____ ("the License").

NOW, THEREFORE, the parties agree as follows:

A G R E E M E N T S

Deposit. Within five business days following the date this Agreement is signed by Lender and Escrow Holder, Lender will cause to be deposited a total sum of \$ _____ ("the Deposit") with Escrow Holder for the refundable deposit for Applicant's application to ABC for approval of transfer to Applicant of the License. The source of funds for the Deposit shall be from an account at San Diego Private Bank in the name of ANI License Fund, LLC. Escrow Holder will do the following:

Invest Funds. Place the Deposit into an interest-bearing account with all interest accruing to the account of Lender. Concurrently herewith, Lender will provide Escrow Holder with the required IRS Form W-9 and Investment Instructions required to establish such account.

226 Form. Escrow Holder shall send to ABC a completed Form 226 upon Escrow Holder's receipt of the Deposit.

Ownership of Deposit. It is acknowledged and understood that only ANI License Fund, LLC has an ownership interest in the Deposit and that Lender has no ownership interest in the Deposit and has no right to direct the disposition of the Deposit except as set forth in and as provided in the Release of Deposit paragraph as follows.

Release of the Initial Deposit. At any time, Lender may provide written instructions to Escrow Holder to release all or a portion of the Deposit and the interest thereon. During the term of this Escrow, upon the written instructions from the Lender, Escrow Holder will disburse the Deposit and, as instructed by the Lender, only to the following account:

San Diego Private Bank
ABA # 122244029
FCC: ANI License Fund, LLC
A/C# 212792

Upon receipt of such instructions, Escrow Holder's only duty is to comply with said instructions and to disburse the Deposit as requested by Lender, and in accordance with this Escrow Agreement.

Escrow Holder's Requirement to Terminate Escrow. Escrow Holder shall terminate this Escrow upon the instructions of Lender or 300 days after this Escrow has been opened, unless requested to do otherwise by both Lender and San Diego Private Bank. At the time that this Escrow is terminated, the Deposit and, as instructed by the Lender, any interest thereon shall be disbursed to the ANI License Fund, LLC account referenced above, and all remaining funds shall be disbursed to Lender unless otherwise directed, less Escrow Holder's unpaid fees.

Escrow Holder's Fee. Lender shall pay to Escrow Holder a fee in the amount of \$1,000.00 for Escrow Holder's services provided in connection with this Escrow, which fee shall be paid \$500.00 upon Escrow Holder's receipt of the Deposit and \$500.00 upon Escrow Holder's release of the Deposit.

Escrow Holder's General Provisions. By signature hereon, Lender approves Escrow Holder's General Provisions, a copy of which is attached to this Agreement as Exhibit "A" and are incorporated by reference as if fully set forth in this section.

Escrow Holder's Wiring Instructions. By signature hereon, Lender approves Escrow Holder's Wiring Instructions directive, a copy of which is attached to the Agreement as Exhibit "B" and are incorporated by reference as if fully set forth in this section.

Third-Party Beneficiary. The Lender and the Escrow Holder agree that San Diego Private Bank shall be, and is hereby, named an express third party beneficiary of this Agreement, with full rights as such. The language of this Agreement relating to "Release of Deposit" and "Escrow Holder's Requirement to Terminate Escrow" cannot be amended without the advance written consent of the San Diego Private Bank.

IN WITNESS WHEREOF, this Agreement has been executed by the parties effective as of the date indicated above.

LENDER

ANI Development, LLC,
a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

By _____
Gina Champion-Cain

Date: _____, 2017

ESCROW HOLDER


Chicago Title Company,
a California corporation

By _____

Print Name: _____

Date: _____, 2017

GUARANTOR EXHIBIT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	03-10-2018	52246			PA	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

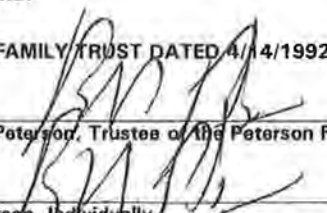
Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

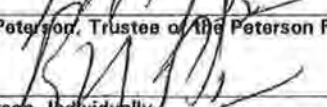
This GUARANTOR EXHIBIT is attached to and by this reference is made a part of the Change In Terms Agreement, dated April 4, 2017, and executed in connection with a loan or other financial accommodations between SAN DIEGO PRIVATE BANK and ANI License Fund, LLC, a California limited liability company.

Guarantors have reviewed the Change in Terms Agreement and hereby consent to its execution by Borrower. Guarantors acknowledge and agree that: (a) The execution of the Change in Terms Agreement shall not impair, limit, abrogate or reduce in any manner or to any extent the obligations of Guarantors under the Guaranty; and (b) Lender would not enter into the Change in Terms Agreement without the execution and delivery of this consent. Guarantors acknowledge and agree that, notwithstanding the execution of the Change in Terms Agreement: (a) Guarantors remain liable under and pursuant to the Guaranty to the fullest extent as if the original provisions of the Related Documents were as reflected in the Related Documents as modified by the Change in Terms Agreement; (b) Each provision of the Guaranty remains unaffected and unchanged and in full force and effect, and (c) Guarantors hereby renew, reaffirm, ratify and confirm the Guaranty.

GUARANTORS:

PETERSON FAMILY TRUST DATED 4/14/1992

BY: 
Kim H. Peterson, Trustee of the Peterson Family Trust

X: 
Kim H. Peterson, Individually

THE GINA CHAMPION-CAIN REVOCABLE TRUST AGREEMENT DATED JUNE 26, 2012

By: 
Gina Champion-Cain

X: 
Gina Champion-Cain, Individually

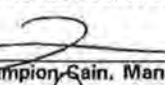
ANI DEVELOPMENT, LLC, a California limited liability company


By: 
Gina Champion-Cain, Manager

THIS GUARANTOR EXHIBIT IS EXECUTED ON APRIL 4, 2017.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 
Gina Champion-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By: 
Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

**GUARANTOR EXHIBIT
(Continued)**

Loan No: 52246

Page 2

LENDER:

SAN DIEGO PRIVATE BANK

X

Authorized Signer



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EXHIBIT 3



Chicago Title Company

701 B Street, Suite 760, San Diego, CA 92101
Phone (619) 230-6363 Fax 629-230-6368

Escrow No: 930018264-U42
Date: May 14, 2012

Officer: Della DuCharme
Fax Number: (619) 230-6368

ESCROW AGREEMENT (Holding Funds)

This Escrow Agreement ("Agreement") is made and entered into as of May 14, 2012, by and between ANI Development, LLC, a California limited liability company and/or its assignees/nominees ("Buyer") and Chicago Title Company, a California corporation ("Escrow Holder").

RECITALS

Buyer desires to deposit certain funds (the "Deposit") into this escrow and to provide Escrow Holder with written instructions setting forth the conditions under which Escrow Holder will invest and hold the funds and ultimately disburse same.

Buyer understands that this is a limited escrow only and is being opened solely for the purposes set forth, and is subject only to the terms and conditions contained, in this Agreement.

NOW, THEREFORE the parties agree as follows.

AGREEMENTS

Deposit. Buyer will deposit the sum of \$50,000.00 with Escrow Holder, which funds will either be in the form of a Wire Transfer or certified bank check. This sum represents the Deposit. Upon receipt of the Deposit, Escrow Holder will do the following:

Invest Funds Place the Deposit into an interest bearing account with all interest accruing to the account of Buyer. Concurrently herewith Buyer will provide Escrow Holder with the required IRS Form W-9 and Investment Instructions required to establish such account.

Release of the Initial Deposit: Unilateral Instruction. At any time Buyer may provide written notice to Escrow Holder as to the release of all or a portion of the Deposit and the interest thereon to various Chicago Title Escrow Nos., or otherwise. Upon receipt of such notice, Escrow Holder's only duty shall be to comply with said notice and to release the funds as requested by Buyer. There are no other requirements or duties on the part of Escrow Holder.

Escrow Holder's Right to Terminate Escrow After One Hundred and Twenty (120) Days. In the event that on or after one hundred twenty (120) days following Escrow Holder's receipt of the Deposit funds remain in this escrow, Escrow Holder shall have the right to deliver any and all funds then on deposit, including interest, but less Escrow Holder's unpaid fees, TO THE BUYER and to terminate this escrow.

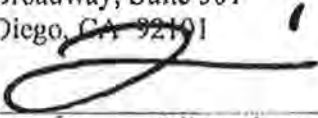
Escrow Holder's Fee. The base Escrow Fee is \$630.00 is to be paid to Escrow Holder when the deposit is received and additional Escrow Fees of \$200.00 per disbursement is to be paid to Escrow Holder when each disbursement is made.

Escrow Holder's General Provisions. By signature hereon, Buyer approve Escrow Holder's General Provisions, a copy of which is attached to this Agreement as **Exhibit "A"** and are incorporated by reference as if fully set forth in this Section.

IN WITNESS WHEREOF, this Escrow Agreement has been executed by the parties effective as of the date indicated above.

BUYER

ANI Development, LLC,
a California limited liability company
624 Broadway, Suite 301
San Diego, CA 92101

By: 
Name: GINA CHAMPIDW-CHAN
Its: President

ESCROW HOLDER

Chicago Title Company,
a California corporation

By: _____
Name: _____
Its: _____

Exhibit "A"

GENERAL PROVISIONS

1. DEPOSIT OF FUNDS

The law dealing with the disbursement of funds requires that all funds be available for withdrawal as a matter of right by the title entity's escrow and/or sub escrow account prior to disbursement of any funds. Only cash or wire-transferred funds can be given immediate availability upon deposit. Cashier's checks, teller's checks and Certified checks may be available one business day after deposit. All other funds such as personal, corporate or partnership checks and drafts are subject to mandatory holding periods which may cause material delays in disbursement of funds in this escrow. In order to avoid delays, all fundings should be wire transferred. Outgoing wire transfers will not be authorized until confirmation of the respective incoming wire transfer or of availability of deposited checks.

Deposit of funds into general escrow trust account unless instructed otherwise. You may instruct Escrow Holder to deposit your funds into an interest bearing account by signing and returning the "Notice of Opportunity to Open Interest Bearing Account", which has been provided to you. If you do not so instruct us, then all funds received in this escrow shall be deposited with other escrow funds in one or more general escrow trust accounts, which include both non-interest bearing demand accounts and other depository accounts of Escrow Holder, in any state or national bank or savings and loan association insured by the Federal Deposit Insurance Corporation (the "depository institutions") and may be transferred to any other such escrow trust accounts of Escrow Holder or one of its affiliates, either within or outside the State of California. A general escrow trust account is restricted and protected against claims by third parties and creditors of Escrow Holder and its affiliates.

Receipt of benefits by Escrow Holder and affiliates. The parties to this escrow acknowledge that the maintenance of such general escrow trust accounts with some depository institutions may result in Escrow Holder or its affiliates being provided with an array of bank services, accommodations or other benefits by the depository institution. Some or all of these benefits may be considered interest due you under California Insurance Code Section 12413.5. Escrow Holder or its affiliates also may elect to enter into other business transactions with or obtain loans for investment or other purposes from the depository institution. All such services, accommodations, and other benefits shall accrue to Escrow Holder or its affiliates and Escrow Holder shall have no obligation to account to the parties to this escrow for the value of such services, accommodations, interest or other benefits.

Said funds will not earn interest unless the instructions otherwise specifically state that funds shall be deposited in an interest-bearing account. All disbursements shall be made by check or (PROFCNTR). The principals to this escrow are hereby notified that the funds deposited herein are insured only to the limit provided by the Federal Deposit Insurance Corporation. Any instruction for bank wire will provide reasonable time or notice for Escrow Holder's compliance with such instruction. Escrow Holder's sole duty and responsibility shall be to place said wire transfer instructions with its wiring bank upon confirmation of (1) satisfaction of conditions precedent or (2) document recordation at close of escrow. Escrow Holder will NOT be held responsible for lost interest due to wire delays caused by any bank or the Federal Reserve System, and recommends that all parties make themselves aware of banking regulations with regard to placement of wires.

In the event there is insufficient time to place a wire upon any such confirmation or the wires have closed for the day, the parties agree to provide written instructions for an alternative method of disbursement. WITHOUT AN ALTERNATIVE DISBURSEMENT INSTRUCTION, FUNDS WILL BE HELD IN TRUST IN A NON-INTEREST BEARING ACCOUNT UNTIL THE NEXT OPPORTUNITY FOR WIRE PLACEMENT.

2. PRORATIONS AND ADJUSTMENTS

All prorations and/or adjustments called for in this escrow are to be made on the basis of a thirty (30) day month unless otherwise instructed in writing. You are to use information contained on last available tax statement, rental statement as provided by the Seller, beneficiary's statement and fire insurance policy delivered into escrow for the prorations provided for herein.

3. SUPPLEMENTAL TAXES

The within described property may be subject to supplemental real property taxes due to the change of ownership taking place through this escrow. Any supplemental real property taxes arising as a result of the transfer of the property to Buyer shall be the sole responsibility of Buyer and any supplemental real property taxes arising prior to the closing date shall be the sole responsibility of the Seller. TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER.

4. UTILITIES/POSSESSION

Transfer of utilities and possession of the premises are to be settled by the parties directly and outside escrow.

5. PREPARATION AND RECORDATION OF INSTRUMENTS

Escrow Holder is authorized to prepare, obtain, record and deliver the necessary instruments to carry out the terms and conditions of this escrow and to order the policy of title insurance to be issued at close of escrow as called for in these instructions. Close of escrow shall mean the date instruments are recorded.

6. AUTHORIZATION TO FURNISH COPIES

You are authorized to furnish copies of these instructions, supplements, amendments, notices of cancellation and closing statements, to the Real Estate Broker(s) and Lender(s) named in this escrow.

7. RIGHT OF CANCELLATION

Any principal instructing you to cancel this escrow shall file notice of cancellation in your office in writing. You shall, within two (2) working days thereafter, deliver, one copy of such notice to each of the other principals at the addresses stated in this escrow. UNLESS WRITTEN

OBJECTION TO CANCELLATION IS FILED IN YOUR OFFICE BY A PRINCIPAL WITHIN TEN (10) DAYS AFTER DATE OF SUCH MAILING, YOU ARE AUTHORIZED TO COMPLY WITH SUCH NOTICE AND DEMAND PAYMENT OF YOUR CANCELLATION CHARGES. If written objection is filed, you are authorized to hold all money and instruments in this escrow and take no further action until otherwise directed, either by the principals' mutual written instructions, or by final order of a court of competent jurisdiction.

8. PERSONAL PROPERTY

No examination or insurance as to the amount or payment of personal property taxes is required unless specifically requested.

By signing these General Provisions, the parties to the escrow hereby acknowledge that they are indemnifying the Escrow Holder against any and all matters relating to any "Bulk Sales" requirements, and instruct Escrow Agent to proceed with the closing of escrow without any consideration of matter of any nature whatsoever regarding "Bulk Sales" being handled through escrow.

9. RIGHT OF RESIGNATION

Escrow Holder has the right to resign upon ten (10) days written notice delivered to the principals herein. If such right is exercised, all funds and documents shall be returned to the party who deposited them and Escrow Holder shall have no liability hereunder.

10. AUTHORIZATION TO EXECUTE ASSIGNMENT OF HAZARD INSURANCE POLICIES

Either Buyer, Seller and/or Lender may hand you the insurance agent's name and insurance policy information, and you are to execute, on behalf of the principals hereto, form assignments of interest in any insurance policy (other than title insurance) called for in this escrow, forward assignment and policy to the insurance agent, requesting that the insurer consent to such transfer and/or attach a loss payable

clause and/or such other endorsements as may be required, and forward such policy(s) to the principals entitled thereto. It is not your responsibility to verify the information handed you or the assignability of said insurance. Your sole duty is to forward said request to insurance agent at close of escrow.

Further, there shall be no responsibility upon the part of Escrow Holder to renew hazard insurance policy(s) upon expiration or otherwise keep it in force either during or subsequent to the close of escrow. Cancellation of any existing hazard insurance policies is to be handled directly by the principals, and outside of escrow.

11. ACTION IN INTERPLEADER

The principals hereto expressly agree that you, as Escrow Holder, have the absolute right at your election to file an action in interpleader requiring the principals to answer and litigate their several claims and rights among themselves and you are authorized to deposit with the clerk of the court all documents and funds held in this escrow. In the event such action is filed, the principals jointly and severally agree to pay your cancellation charges and costs, expenses and reasonable attorney's fees which you are required to expend or incur in such interpleader action, the amount thereof to be fixed and judgment therefor to be rendered by the court. Upon the filing of such action, you shall thereupon be fully released and discharged from all obligations imposed by the terms of this escrow or otherwise.

12. TERMINATION OF AGENCY OBLIGATION

If there is no action taken on this escrow within six (6) months after the "time limit date" as set forth in the escrow instructions or written extension thereof, your agency obligation shall terminate at your option and all documents, monies or other items held by you shall be returned to the parties depositing same. In the event of cancellation of this escrow, whether it be at the request of any of the principals or otherwise, the fees and charges due (PROFCNTR), including expenditures incurred and/or authorized shall be borne equally by the parties hereto (unless otherwise agreed to specifically).

13. CONFLICTING INSTRUCTIONS

Upon receipt of any conflicting instructions, you are to take no action in connection with this escrow until non-conflicting instructions are received from all of the principals to this escrow (subject to sections 7, 9, 11 and 12 above).

14. REIMBURSEMENT ATTORNEY FEES/ESCROW HOLDER

In the event that a suit is brought by any party or parties to these escrow instructions to which the Escrow Holder is named as a party which results in a judgment in favor of the Escrow Holder and against a principal or principals herein, the principals or principals' agent agree to pay said Escrow Holder all costs, expenses and reasonable attorney's fees which it may expend or incur in said suit, the amount thereof to be fixed and judgment therefor to be rendered by the court in said suit.

15. DELIVERY/RECEIPT

Delivery to principals as used in these instructions unless otherwise stated herein is to be by regular mail, and receipt is determined to be 72 hours after such mailing. All documents, balances and statements due to the undersigned are to be mailed to the address shown herein. All notices, change of instructions, communications and documents are to be delivered in writing to the office of Chicago Title Company as set forth herein.

16. STATE/FEDERAL CODE NOTIFICATIONS

According to Federal Law, the Seller, when applicable, will be required to complete a sales activity report that will be utilized to generate a 1099 statement to the Internal Revenue Service.

Pursuant to State Law, prior to the close of escrow, Buyer will provide Escrow Holder with a Preliminary Change of Ownership Report. In the event said report is not handed to Escrow Holder for submission to the County in which subject property is located, upon recording of the Grant Deed, Buyers acknowledge that the applicable fee will be assessed by said County and Escrow Holder shall debit the account of Buyer for same at close of escrow.

Buyer and Seller herein represent and warrant that they will seek and obtain independent legal advice and counsel relative to their obligations under the "Foreign Investors In Real Property Act", and any other applicable federal and/or state laws regarding same, and will take all steps necessary in order to comply with such requirements and hereby hold you harmless relative to their compliance therewith.

17. ENCUMBRANCES

Escrow Holder is to act upon any statements furnished by a lienholder or his agent without liability or responsibility for the accuracy of such statements. Any adjustments necessary because of a discrepancy between the information furnished Escrow Holder and any amount later determined to be correct shall be settled between the parties direct and outside of escrow.

You are authorized, without the need for further approval, to debit my account for any fees and charges that I have agreed to pay in connection with this escrow, and for any amounts that I am obligated to pay to the holder of any lien or encumbrance to establish the title as insured by the policy of title insurance called for in these instructions. If for any reason my account is not debited for such amounts at the time of closing, I agree to pay them immediately upon demand, or to reimburse any other person or entity who has paid them.

18. ENVIRONMENTAL ISSUES

Chicago Title Company has made no investigation concerning said property as to environmental/toxic waste issues. Any due diligence required or needed to determine environmental impact as to forms of toxification, if applicable, will be done directly and by principals outside of escrow. Chicago Title Company is released of any responsibility and/or liability in connection therewith.

19. USURY

Escrow Holder is not to be concerned with any questions of usury in any loan or encumbrance involved in the processing of this escrow and is hereby released of any responsibility or liability therefore.

20. DISCLOSURE

Escrow Holder's knowledge of matters affecting the property, provided such facts do not prevent compliance with these instructions, does not create any liability or duty in addition to these instructions.

21. FACSIMILE SIGNATURE

Escrow Holder is hereby authorized and instructed that, in the event any party utilizes "facsimile" transmitted signed documents or instructions to Escrow Holder, you are to rely on the same for all escrow instruction purposes and the closing of escrow as if they bore original signatures. Each party shall make every effort to provide to the other party and to Escrow Holder, within 72 hours after transmission, duplicate original documents or instructions bearing the original signatures. Each party further acknowledges and agrees that documents with non-original signatures may not be accepted for recording by the County Recorder, therefore no closing or recording may take place without the submission of the original documents.

22. CLARIFICATION OF DUTIES

Chicago Title Company serves ONLY as an Escrow Holder in connection with these instructions and cannot give legal advice to any party herein.

Escrow Holder is not to be held accountable or liable for the sufficiency or correctness as to form, manner of execution, or validity of any instrument deposited in this escrow, nor as to the identity, authority or rights of any person executing the same. Escrow Holder's duties hereunder shall be limited to the proper handling of such money and the proper safekeeping of such instruments, or other documents received by Escrow Holder, and for the disposition of same in accordance with the written instructions accepted by Escrow Holder.

The agency and duties of Escrow Holder commence only upon receipt of copies of these Escrow Instructions executed by all parties.

23. FUNDS HELD IN ESCROW

When the company has funds remain in escrow over 90 days after close of escrow or estimated close of escrow, the Company shall impose a monthly holding fee of \$25.00 that is to be charged against the funds held by the Company.

THIS AGREEMENT IN ALL PARTS APPLIES TO, INURES TO THE BENEFIT OF, AND BINDS ALL PARTIES HERETO, THEIR HEIRS, LEGATEES, DEVISEES, ADMINISTRATORS, EXECUTORS, SUCCESSORS AND ASSIGNS, AND WHENEVER THE CONTEXT SO REQUIRES THE MASCULINE GENDER INCLUDES THE FEMININE AND NEUTER, AND THE SINGULAR NUMBER INCLUDES THE PLURAL. THESE INSTRUCTIONS AND ANY OTHER AMENDMENTS MAY BE EXECUTED IN ANY NUMBER OF COUNTERPARTS, EACH OF WHICH SHALL BE CONSIDERED AS AN ORIGINAL AND BE EFFECTIVE AS SUCH.

MY SIGNATURE HERETO CONSTITUTES INSTRUCTION TO ESCROW HOLDER OF ALL TERMS AND CONDITIONS CONTAINED IN THIS AND ALL PRECEDING PAGES AND FURTHER SIGNIFIES THAT I HAVE READ AND UNDERSTAND THESE GENERAL PROVISIONS.

Chicago Title Company conducts escrow business under a Certificate of Authority No. 350 issued by the California Department of Insurance.

ACKNOWLEDGED BY

BUYER

ANI Development, LLC,
a _____ limited liability company
624 Broadway, Suite 301
San Diego, CA 92101

By: 

Name: GINA CHAMPION-CAIN

Its: President

EXHIBIT 4

FedPayments ManagerSM -- Funds

Environment:	Prod	ABA:	122244029
Mode:	Prod	Service Unit:	12224402
Cycle Date:	11/03/2017	System Date/Time:	11/03/2017 17:47:18

Status:	Completed	Message Type:	Standard
Create Time:	11/03/2017 17:46:30	Test/Prod:	Prod
IMAD:	20171103 QMGFT008 002294 11031747		
OMAD:	20171103 B6B77EBC 001710 11031747		

BASIC INFORMATION

Sender ABA (3100):	122244029 SAN DIEGO PRIV BK
Receiver ABA (3400):	122000496 UNION BANK
Amount (2000):	445,000.00
Type Code (1510):	1000 - Transfer of Funds
Business Function (3600):	BTR - Bank Transfer
Sender Reference (3320):	039512

ORIGINATOR INFORMATION

Originator (5000)

ID Code:	F - Fed Routing Number
Identifier:	000001461000
Name:	SAN DIEGO PRIVATE BANK
Address:	801 ORANGE AVE, SUITE 101 CORONADO, CA 92118

Originator to Beneficiary Information (6000)

Text:	ORDER NO: 66061-DD ATTN: DELLA DUCHARME UNIT YASHIO# 474421/SHEIDON # 479777 WOLFFER # 330951
-------	--

BENEFICIARY INFORMATION

Beneficiary (4200)

ID Code:	D - DDA Account Number
Identifier:	10425492
Name:	CHICAGO TITLE
Address:	701 B STREET SUITE 760 SAN DIEGO, CA 92101

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WIRE TRANSFER ORDER

WIRE DETAILS		
TODAY'S DATE: 11/3/17	DATE OF WIRE 11/3/17	TIME
WIRE AMOUNT: (US Dollars) \$ 445,000	<input type="checkbox"/> FOREIGN CURRENCY, WIRE AMOUNT \$ FOREIGN CURRENCY TYPE	
FEE: \$ 0	EXCHANGE RATE: EXCHANGE RATE CONFIRMED BY	

ORIGINATOR		
NAME: COMPANY ANI License Fund, LLC	ACCOUNT NUMBER 212792	TAX ID NUMBER 47-4961335
STREET ADDRESS (NO PO BOX) 3515 Hancock Street, Suite 200	CITY, STATE, ZIP San Diego, CA 92110	
PRIMARY IDENTIFICATION EXPIRATION DATE	PURPOSE OF WIRE: Fund Escrow	

BENEFICIARY	
BENEFICIARY NAME Chicago Title	BENEFICIARY ACCOUNT NUMBER 10425492
BENEFICIARY STREET ADDRESS 701 B Street, Suite 760	CITY, STATE, ZIP, COUNTRY San Diego, CA 92101

RECEIVING OR INTERMEDIARY BANK		
BANK NAME Union Bank	ROUTING TRANSIT NUMBER 122000496	ACCOUNT NUMBER 0010425492
BANK STREET ADDRESS: 1980 Saturn St	CITY, STATE, ZIP, COUNTRY Monterey Park, CA 91755	
SORT CODE	RECEIVING BANK INSTRUCTIONS OR COMMENTS: Order No. 66061-DD Attn: Della Ducharme Unit	
SWIFT CODE		

BENEFICIARY'S BANK (IF DIFFERENT THAN RECEIVING BANK)		
BANK NAME:	ROUTING TRANSIT NUMBER	ACCOUNT NUMBER
BANK STREET ADDRESS:	CITY, STATE, ZIP, COUNTRY	
SORT CODE	BENEFICIARY BANK INSTRUCTIONS OR COMMENTS	
SWIFT CODE:	Yashio 474421 / Sheld m 474777 / wolffes 330951	

By executing this Wire Transfer Order Originator acknowledges and agrees that this Order is subject to all ACH and Federal Reserve Rules and Regulations applicable to payment orders, as well as any applicable Wire Transfer Agreement and Deposit Account Agreement and Disclosure.

AUTHORIZED SIGNER _____ AUTHORIZED SIGNER _____ TELEPHONE NUMBER _____

PRINTED NAME/ TITLE _____ PRINTED NAME/ TITLE _____

BANK USE ONLY	
PREPARED BY: (PRINT & SIGN) Mary Campion 	CALL BACK PERFORMED BY: <u>Silky</u> SPOKE WITH: <u>Kim P. P. P.</u>
APPROVED BY: (PRINT & SIGN)	<input type="checkbox"/> UNIQUE IDENTIFIER VERIFIED DATE AND TIME OF CALLBACK: <u>11/3/2017 8:35am</u> <input checked="" type="checkbox"/> OFAC CHECK COMPLETE <input checked="" type="checkbox"/> SIGNED WIRE AGREEMENT ON FILE <input checked="" type="checkbox"/> AUTHORIZED REPRESENTATIVE SIGNATURE VERIFIED (IF APPLICABLE) <input checked="" type="checkbox"/> AVAILABLE ACCOUNT BALANCE \$ <u>445,000</u> <input type="checkbox"/> REG-1 DISCLOSURE PROVIDED
WIRE ENTERED BY:	WIRE VERIFIED BY: <u>1</u>

EXHIBIT 5

SAN DIEGO



PRIVATE BANK

ANI LICENSE FUND LLC
ANI LICENSE FUND LLC
3515 HANCOCK ST STE 200
SAN DIEGO CA 92110

OUTGOING WIRE – ADVICE OF DEBIT

DATE: 01/29/2018
AMOUNT: \$850,000.00
ACCOUNT NUMBER: **2792
BANK REFERENCE NUMBER: 20180290006200

BENEFICIARY INFORMATION

NAME: CHICAGO TITLE
REFERENCE FOR
BENEFICIARY:
ORIGINATOR TO BENEFICIARY
INFO:

NO. 6601-DD ATTN: DELLA DUCHARME
UNIT
HERNANDEZ 328711/KIM423374/BULOW
429187/MOSER476623

FED REFERENCE NUMBER: 20180129L2B76Y1C00153301291554FT01/20180129MMQFMPOV000012

FOREIGN INFORMATION

RATE:
CURRENCY:
VALUE DATE:
FX AMOUNT:
FX CONTRACT:
DELIVERY DATE:

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A wire transfer fee may apply.
If you have questions or concerns regarding this notice, please feel
free to contact us by phone at 619-230-2800, online at
www.sandiegoprivatebank.net, or by email at contactus@sandiegoprivatebank.net.

San Diego Private Bank Wire Department

This is an automated email. Please do not respond to this email.

SAN DIEGO

PRIVATE BANK

WIRE TRANSFER ORDER

WIRE DETAILS		
TODAY'S DATE 1/29/2018	DATE OF WIRE: 1/29/2018	TIME:
WIRE AMOUNT: (US Dollars) \$ 850,000	<input type="checkbox"/> FOREIGN CURRENCY, WIRE AMOUNT: \$ FOREIGN CURRENCY TYPE:	
FEE \$ 0	EXCHANGE RATE EXCHANGE RATE CONFIRMED BY:	

ORIGINATOR		
NAME/COMPANY ANI License Fund, LLC	ACCOUNT NUMBER 212792	TAX ID NUMBER 47-4961335
STREET ADDRESS: (NO PO BOX) 3515 Hancock Street, Suite 200	CITY, STATE, ZIP San Diego, CA 92110	
PRIMARY IDENTIFICATION: EXPIRATION DATE:	PURPOSE OF WIRE Fund Escrow	

BENEFICIARY	
BENEFICIARY NAME: Chicago Title	BENEFICIARY ACCOUNT NUMBER: 10425492
BENEFICIARY STREET ADDRESS 701 B Street, Suite 760	CITY, STATE, ZIP, COUNTRY San Diego, CA 92101

RECEIVING OR INTERMEDIARY BANK		
BANK NAME: Union Bank	ROUTING TRANSIT NUMBER 122000496	ACCOUNT NUMBER 0010425492
BANK STREET ADDRESS 1980 Saturn St	CITY, STATE, ZIP, COUNTRY Monterey Park, CA 91755	
SORT CODE	RECEIVING BANK INSTRUCTIONS OR COMMENTS	
SWIFT CODE	No. 66061-DD Attn: Della Ducharme Unit	

BENEFICIARY'S BANK (IF DIFFERENT THAN RECEIVING BANK)		
BANK NAME:	ROUTING TRANSIT NUMBER:	ACCOUNT NUMBER
BANK STREET ADDRESS	CITY, STATE, ZIP, COUNTRY	
SORT CODE	BENEFICIARY BANK INSTRUCTIONS OR COMMENTS	
SWIFT CODE	Hernandez328711/Kim423374/Bulow429187/Moser476623	

By executing this Wire Transfer Order Originator acknowledges and agrees that this Order is subject to all ACH and Federal Reserve Rules and Regulations applicable to payment orders, as well as any applicable Wire Transfer Agreement and Deposit Account Agreement and Disclosure.

AUTHORIZED SIGNER _____ AUTHORIZED SIGNER _____ TELEPHONE NUMBER _____

PRINTED NAME/ TITLE _____ PRINTED NAME/ TITLE _____

*****BANK USE ONLY*****	
PREPARED BY: (PRINT & SIGN) Gaby Gomezgil	CALL BACK PERFORMED BY: _____ SPOKE WITH: _____
APPROVED BY: (PRINT & SIGN)	<input type="checkbox"/> UNIQUE IDENTIFIER VERIFIED DATE AND TIME OF CALLBACK: _____
WIRE ENTERED BY	<input checked="" type="checkbox"/> OFAC CHECK COMPLETE <input checked="" type="checkbox"/> SIGNED WIRE AGREEMENT ON FILE <input type="checkbox"/> AUTHORIZED REPRESENTATIVE SIGNATURE VERIFIED (IF APPLICABLE) <input checked="" type="checkbox"/> AVAILABLE ACCOUNT BALANCE \$350,000.00 850,000- <input type="checkbox"/> REG E DISCLOSURE PROVIDED
WIRE VERIFIED BY /	

EXHIBIT 6

GFX/PAYplus Connect Message Print - Message Inquiry Display Dialog Box

User: AEast Bank: San Diego Private Bk Date: 09/06/19 14:08:37

Message Status: PNRM
Seq Num: 20182840017000 Related Seq Num: 20182840017100
Pay Method: FED Output Message ID: FTI0811
Date Recvd: 10/11/2018 14:43:39 Value Date: 10/11/2018

Sender: 122244029, Receiver: 122016066
Amount: \$1,050,000.00
Debit info --

Account: 212792
Name: ANI LICENSE FUND LLC
Addr1: 3515 HANCOCK ST STE 200
Addr2: SAN DIEGO CA 92110
Addr3:
Addr4:

Credit info --

ABA: 122016066
Name: CITY NATIONAL BANK
Addr1:
Addr2:
Addr3:
Addr4:

Advice: Dept: DEPT1 Trancode: DOMESTIC
Category: Linesheet: Create Template:

Message Text:

Sndr Info	{1500}30	P
Msg Type	{1510}1000	
IMAD	{1520}20181011MMQFMPOV0000032	
Amount	{2000}0001050000000	
Sender DI	{3100}122244029	
Sndr Ref	{3320}20182840017000*	
Rcvr DI	{3400}122016066	
Bun Func	{3600}CTR	
BNF	{4200}D555337205*	
	CHICAGO TITLE COMPANY*	
	LOS ANGELES CA*	
ORG	{5000}D212792*	
	ANI LICENSE FUND LLC*	
	3515 HANCOCK ST STE 200*	
	SAN DIEGO CA 92110*	
OBI	{6000}ESCROW TO SPECIFIC ESCROWS : 428998*	
	\$50, 423244 \$350000, 475620 \$275,0*	
	00, 476556 \$375,000*	

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Chicago Title

INSURANCE COMPANY

WIRE Transfer Instructions

Bank Name: City National Bank
555 South Flower Street, 17th Floor
Los Angeles, CA 90071

ABA / Routing Number: 122016066

Account Number: 555337205

Account Name : CHICAGO TITLE COMPANY

Reference: Escrow / Title Order No: 00083790-004-DD
Escrow / Title Officer Name: Della DuCharme

FFC: Deltoro 428998 \$50,000/Anderson 423244 \$350,000/ Bernal
475620 \$275,000/Fadelli 476556 \$375,000

PROOF OF SERVICE

I, Julia Fairfoot, declare:

I am a citizen of the United States and employed in Los Angeles County, California. I am over the age of eighteen years and not a party to the within-entitled action. My business address is 1999 Avenue of the Stars, 8th Floor, Los Angeles, CA 90067.

On February 19, 2021, I served the following document(s):

FIRST AMENDED COMPLAINT FOR DAMAGES FOR: (1) BREACH OF CONTRACT; (2) BREACH OF FIDUCIARY DUTY; (3) FRAUD; (4) CONSPIRACY TO DEFRAUD; (5) AIDING AND ABETTING FRAUD; (6) NEGLIGENT MISREPRESENTATION; (7) NEGLIGENCE; (8) VIOLATION OF PENAL CODE SEC. 496; AND (9) UNFAIR COMPETITION IN VIOLATION OF CAL. BUSINESS AND PROFESSIONS CODE §§ 17200 ET SEQ.

- ☐ BY U.S. MAIL: I am familiar with the business practice of O'Melveny & Myers LLP for collection and processing of correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.
- ☐ BY MESSENGER SERVICE: I consigned the document(s) to an authorized courier and/or process server for hand delivery on this date.
- ☐ BY FACSIMILE: I am personally and readily familiar with the business practice of O'Melveny & Myers LLP for collection and processing of document(s) to be transmitted by facsimile and I caused such document(s) on this date to be transmitted by facsimile to the offices of addressee(s) at the numbers listed below.
- ☒ BY OVERNIGHT MAIL: I am personally and readily familiar with the business practice of O'Melveny & Myers LLP for collection and processing of correspondence for overnight delivery, and where indicated below I caused such document(s) described herein to be deposited for delivery to a facility regularly maintained by for overnight delivery on the following part(ies):

Steven M. Strauss
Mazda K. Antia
Megan L. Donohue
COOLEY LLP
4401 Eastgate Mall
San Diego, CA 92121

*Attorneys for Defendants Chicago Title
Company and Chicago Title Insurance
Company*

SERVICE LIST

CalPrivate Bank v. Chicago Title Co. et al.,
Case No.: 37-2020-00039790-CU-FR-CTL

<p>Steven M. Strauss sms@cooley.com Mazda K. Antia mantia@cooley.com Megan L. Donohue mdonohue@cooley.com COOLEY LLP 4401 Eastgate Mall San Diego, CA 92121 Telephone: (858) 550-6000 Facsimile: (858) 550-6420</p> <p>Randall R. Lee randall.lee@cooley.com COOLEY LLP 1333 2ND Street Suite 400 Santa Monica, CA 90401 Telephone: (310) 883-6400 Facsimile: (310) 883-6500</p>	<p><i>Attorneys for Defendants Chicago Title Company and Chicago Title Insurance Company</i></p>
---	--

Kim Funding et al. v. Chicago Title Company et al.,
Case No. 37-2019-00066633-CU-FR-CTL

<p>Elliot R. Peters epeters@keker.com Ajay Krishnan akrishnan@keker.com; Cody S. Harris charris@keker.com Sophie Hood shood@keker.com Veronica Fujisawa vfujisawa@keker.com jstiles@keker.com ESCROWKVP@keker.com KEKER, VAN NEST & PETERS LLP 633 Battery Street San Francisco, CA 94111 Telephone: (415) 391-5400 Facsimile: (415) 397-7188</p>	<p><i>Attorneys for Plaintiffs Kim Funding LLC and Kim H. Peterson; Joseph J. Cohen; ABC Funding Strategies, LLC; Payson R. Stevens; Kamaljit K. Kapur; and the Payson R. Stevens & Kamaljit Kaur Kapur Trust dated March 28, 2014</i></p>
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Philip H. Dyson phildysonlaw@gmail.com Laura Smith laura@phildysonlaw.com jodi@phildysonlaw.com LAW OFFICES OF PHILIP H. DYSON 8461 La Mesa Boulevard La Mesa, CA 91942 Telephone: (619) 462-3311	<i>Attorney for Defendant Thomas Schwiebert</i>
Edward Patrick Swan, Jr. pswan@jonesday.com Shireen Matthews shireenmatthews@jonesday.com Brooke Schultz bschultz@jonesday.com Alyssa Moscrop amoscrop@jonesday.com JONES DAY 4655 Executive Drive, Suite 1500 San Diego, CA 92121 Telephone: (858) 314-1200 Facsimile: (844) 345-3178	<i>Attorneys for Defendant Adelle Ducharme</i>
Greg Vega vega@scmv.com Ricardo Arias arias@scmv.com Sarah Shekhter shekhter@scmv.com SELTZER CAPLAN MCMAHON VITEK 750 B Street, Suite 2100 San Diego, CA 92101 Telephone: (619) 685-3003 Facsimile: (619) 685-3110	<i>Attorneys for Defendant Betty Elixman</i>

Wakefield Capital, LLC et al. v. Chicago Title Company et al.,
Case No. 37-2020-00012568

James P. Armstrong James@TheArmstrongFirm.net THE ARMSTRONG FIRM A Professional Corporation 737 Pearl Street, Suite 204 La Jolla, CA 92037 Telephone: (619) 315-9008 Facsimile: (858) 228-5934	<i>Attorney for Plaintiffs Wakefield Capital; Wakefield Investments; 2Budz Holding; and Heidrichs & Orrs</i>
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Levin et al. v. Chicago Title Company et al.,
Case No. 37-2020-00016983

Michael L. Kirby mike@kirbyandkirbylaw.com Jason M. Kirby jason@kirbyandkirbylaw.com KIRBY & KIRBY LLP 501 West Broadway, Suite 1720 San Diego, California 92101 Telephone: (619) 487-1500 Facsimile: (619) 501-5733	<i>Attorneys for Plaintiffs</i>
Philip H. Dyson phildysonlaw@gmail.com Laura Smith laura@phildysonlaw.com jodi@phildysonlaw.com LAW OFFICES OF PHILIP H. DYSON 8461 La Mesa Boulevard La Mesa, CA 91942 Telephone: (619) 462-3311	<i>Attorney for Defendant Thomas Schwiebert</i>

Atherton et al. v. Chicago Title Company et al.,
Case No. 37-2020-00017967

Jeffrey S. Wruble jwruble@buchalter.com William M. Miller wmiller@buchalter.com Oren Bitan obitan@buchalter.com David E. Mark dmark@buchalter.com mcramer@buchalter.com BUCHALTER A Professional Corporation 1000 Wilshire Boulevard, suite 1500 Los Angeles, CA 90017-1730 Telephone: (213) 891-0700 Facsimile: (213) 896-0400	<i>Attorneys for Plaintiffs</i>
---	---------------------------------

Yu vs. Chicago Title Co., et. al.,
Case No. 37-2020-00022467-CU-FR-CTL

<p>Jeffrey Zinder JEZinder@zinderkoch.com Jacqueline Zinder JLZinder@zinderkoch.com LAW OFFICES OF ZINKER & KOCH Professional Corporation 25101 The Old Road, Ste. 222 Stevenson Ranch, CA 91381 Telephone: (818) 760-0100 Facsimile: (818) 760-0103</p>	<p><i>Attorneys for Plaintiffs Yuan Yu and Polly Yu</i></p>
<p>Philip H. Dyson phildysonlaw@gmail.com Laura Smith laura@phildysonlaw.com jodi@phildysonlaw.com LAW OFFICES OF PHILIP H. DYSON 8461 La Mesa Boulevard La Mesa, CA 91942 Telephone: (619) 462-3311</p>	<p><i>Attorney for Defendant Thomas Schwiebert</i></p>
<p>Edward Patrick Swan, Jr. pswan@jonesday.com Shireen Matthews shireenmatthews@jonesday.com Brooke Schultz bschultz@jonesday.com Alyssa Moscrop amoscrop@jonesday.com JONES DAY 4655 Executive Drive, Suite 1500 San Diego, CA 92121 Telephone: (858) 314-1200 Facsimile: (844) 345-3178</p>	<p><i>Attorneys for Defendant Adelle Ducharme</i></p>
<p>Greg Vega vega@scmv.com Ricardo Arias arias@scmv.com Sarah Shekhter shekhter@scmv.com SELTZER CAPLAN MCMAHON VITEK 750 B Street, Suite 2100 San Diego, CA 92101 Telephone: (619) 685-3003 Facsimile: (619) 685-3110</p>	<p><i>Attorneys for Defendant Betty Elixman</i></p>

Susan Heller Fenley Separate Property Trust et al. v. Chicago Title Company, et. al.,
Case No. 37-2020-00022394-CU-FR-CTL

<p>Jeffrey Zinder JEZinder@zinderkoch.com Jacqueline Zinder JLZinder@zinderkoch.com LAW OFFICES OF ZINDER & KOCH Professional Corporation 25101 The Old Road, Ste. 222 Stevenson Ranch, CA 91381 Telephone: (818) 760-0100 Facsimile: (818) 760-0103</p>	<p><i>Attorneys for Plaintiffs Susan Heller Fenley Separate Property Trust, DTD 03/04/10; Susan Heller Fenley Inherited Roth IRA; Shelley Lynn Tarditi Trust; and ROJ, LLC</i></p>
<p>Philip H. Dyson phildysonlaw@gmail.com Laura Smith laura@phildysonlaw.com jodi@phildysonlaw.com LAW OFFICES OF PHILIP H. DYSON 8461 La Mesa Boulevard La Mesa, CA 91942 Telephone: (619) 462-3311</p>	<p><i>Attorney for Defendant Thomas Schwiebert</i></p>
<p>Edward Patrick Swan, Jr. pswan@jonesday.com Shireen Matthews shireenmatthews@jonesday.com Brooke Schultz bschultz@jonesday.com Alyssa Moscrop amoscrop@jonesday.com JONES DAY 4655 Executive Drive, Suite 1500 San Diego, CA 92121 Telephone: (858) 314-1200 Facsimile: (844) 345-3178</p>	<p><i>Attorneys for Defendant Adelle Ducharme</i></p>
<p>Greg Vega vega@scmv.com Ricardo Arias arias@scmv.com Sarah Shekhter shekhter@scmv.com SELTZER CAPLAN MCMAHON VITEK 750 B Street, Suite 2100 San Diego, CA 92101 Telephone: (619) 685-3003 Facsimile: (619) 685-3110</p>	<p><i>Attorneys for Defendant Betty Elixman</i></p>

Banc of California v. Laurie Peterson,
Case No. 37-2019-00060809-CU-BC-CTL

Robert S. McWhorter rmcwhorter@buchalter.com Jarrett Osborne-Revis josbornerevis@buchalter.com Wendy Reinig, Legal Assistant wreinig@buchalter.com BUCHALTER, APC 500 Capitol Mall, Suite 1900 Sacramento, CA 95814 Telephone: (916) 945-5170	<i>Attorneys for Plaintiff Banc of California, National Association</i>
Philip Tencer Phil@TencerSherman.com Jessica Mulvaney Jessica@TencerSherman.com TENCER SHERMAN LLP 12520 High Bluff Drive, Suite 240 San Diego, CA 92130 Telephone: (858) 408-6900 Facsimile: (858) 754-1260	<i>Attorneys for Defendant and Cross- Complainant Laurie Peterson</i>

Calprivate v. Kim H. Peterson
Case Number: 37-2019-00058664-CU-BC-CTL

Philip Tencer Phil@TencerSherman.com Jessica Mulvaney Jessica@TencerSherman.com TENCER SHERMAN LLP 12520 High Bluff Drive, Suite 240 San Diego, CA 92130 Telephone: (858) 408-6900 Facsimile: (858) 754-1260	<i>Attorneys for Defendant and Cross- Complainant Kim H. Peterson, Trustee of the Peterson Family Trust dated 4/14/92</i>
Vivian L. Thoreen vivian.thoreen@hklaw.com richard.petty@hklaw.com HOLLAND AND KNIGHT LLP 400 S. Hope Street, 8th Floor Los Angeles, California 90071 Telephone: (213) 896-2400 Facsimile: (213) 896-2450	<i>Attorneys for Plaintiff Calprivate Bank</i>

Ovation v. Chicago Title Company
Case No.: 37-2020-00034947-CU-FR-CTL

Mark C. Holscher mark.holscher@kirkland.com R. Alexander Pilmer apilmer@kirkland.com Michael J. Shipley michael.shipley@kirkland.com lbay@kirkland.com KIRKLAND & ELLIS LLP 555 South Flower Street Los Angeles, CA 90071 Telephone: (213) 680-8400 Facsimile: (213) 680-8500 Dean A. Ziehl dziehl@pszjlaw.com PACHULSKI STANG ZIEHL & JONES LLP 10100 Santa Monica Blvd., 13th Floor Los Angeles, California 90067-4003 Telephone: (310) 277-6910	<i>Attorneys for Plaintiffs Ovation Finance Holdings 2 LLC; Ovation Fund Management II, LLC; Banc of California N.A.</i>
--	--

EXHIBIT I

EXHIBIT I

Creditor Type	Investor Unique Identifier	Claim/MIMO Net Loss Amount	Receiver Recommendation	Reason for Proposed Claim Amounts to be Disallowed (see also the Motion narrative for further explanation)
Investor	77	3,840.00	Disallow	Failed to respond and return claim.
Investor	158	28,979.15	Disallow	Failed to respond and return claim.
Investor	241	2,850.00	Disallow	Failed to respond and return claim. Informed Receiver they would not file a claim.
Investor	403	666,227.86	Disallow	Failed to respond and return claim. Informed Receiver, through counsel, they would not file a claim.

Creditor Type	Investor Unique Identifier	Receiver Recommendation	Reason for Proposed Claim Amounts to be Disallowed (see also the Motion narrative for further explanation)
Investor	21	Disallow	Aggregation of affiliated investments resulted in a prior recovery rate of over 100%.
Investor	25	Disallow	Third-party payments resulted in a prior recovery rate of over 100%.
Investor	74	Disallow	Confirmed investment resulted in a prior recovery rate of 100% or greater.
Investor	184	Disallow	Third-party payments resulted in a prior recovery rate of over 100%. Investor also failed to respond and return claim.
Investor	284	Disallow	Third-party payments resulted in a prior recovery rate of over 100%.
Investor	345	Disallow	Aggregation of affiliated investments resulted in a prior recovery rate of over 100%.
Investor	362	Disallow	Aggregation of affiliated investments resulted in a prior recovery rate of over 100%.
Investor	433	Disallow	Third-party payments resulted in a prior recovery rate of over 100%.

EXHIBIT J

EXHIBIT J

BakerHostetler

Baker&Hostetler LLP

45 Rockefeller Plaza
New York, NY 10111

T 212.589.4200
F 212.589.4201
www.bakerlaw.com

Amy E. Vanderwal
direct dial: 212.589.4612
avanderwal@bakerlaw.com

December 29, 2021

VIA FEDEX

Attn: ANI Claims Process Administrator
E3 Advisors
501 West Broadway, Suite 290
San Diego, CA 92101

*Re: Kim Funding, LLC Claim for Submission in Securities and Exchange Commission v.
Gina Champion-Cain, et al., Case No. 19-cv-01628-LAB-AHG*

To Whom it May Concern:

Enclosed within are the proof of claim, explanatory statement, and exhibits for submission in the above captioned matter.

The original signatures will follow.

Sincerely,

Baker & Hostetler LLP

/s/Amy E. Vanderwal

Amy E. Vanderwal
Partner

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
CASE NO. 3:19-cv-01628-LAB-AHG

INVESTOR PROOF OF CLAIM FORM

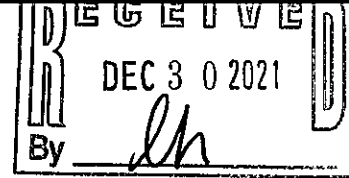
SECURITIES AND EXCHANGE COMMISSION

vs.

GINA CHAMPION-CAIN; ANI DEVELOPMENT, LLC;
DEFENDANTS

and

AMERICAN NATIONAL INVESTMENTS, INC.;
RELIEF DEFENDANT



THIS SPACE RESERVED FOR ADMINISTRATIVE
USE ONLY

PLEASE READ THE ACCOMPANYING LETTER INSTRUCTIONS BEFORE COMPLETING
THIS FORM, IT MUST BE RETURNED ON OR BEFORE **DECEMBER 31, 2021**

As reflected in Section 3 below, the Receiver has calculated the Net Loss Amount, the net amount of actual payments you made to and received from the Receivership Entities or others in connection with the scheme.

If the investor name and amounts listed in Section 3 below are consistent with your records, you do not need to provide any documents or further information; you need to simply complete and sign this Proof of Claim Form, complete and sign the enclosed W9 Form, and return both forms to: **E3 Advisors, Attn: ANI Claims Process Administrator, 501 West Broadway, Suite 290, San Diego, CA 92101.**

If your records are not consistent with the investor name or amounts listed in Section 3 below, you will need to provide further documentation, as described on the last page of this document. Please keep in mind that pursuant to the Court's order, an allowed claim shall not include claims for interest, late fees, contract or other damages, contingent or liquidated damages, or legal fees incurred.

The Receiver will review each Proof of Claim Form, attempt to resolve any questions or disputes directly with the claimant, and will ultimately make a recommendation to the Court to allow or disallow part or all of the claim. Claimants will receive notice and an opportunity to respond if the Receiver disagrees with the amount stated on their claim. For claims that are allowed, distributions will be made pursuant to a Court-approved distribution plan. The amount distributed will depend on the total amount of allowed claims, the total assets available for distribution, and the terms of the distribution plan.

Submission of a claim does not guarantee the claims will be allowed or any payment will be made. The claim must be allowed by the United States District Court for the Southern District of California ("Court").

ADDRESS OF CLAIMANT:

() Check this box **ONLY** if your current address or contact information has changed and, if so, please print your updated address and/or contact information here:

Updated Address: Kim Funding, LLC
P.O. Box 676237, Rancho Santa Fe, CA 92067

Telephone No. of Claimant: (858) 481-3539

Email Address of Claimant: kimharoldpeterson@gmail.com

() Check this box **ONLY** if you have an alternative contact for your investments. If so, please include all contact details here (you must also attach a Power of Attorney, Death Certificate, Trust Beneficiary, or other legal documentation, as applicable, which legally authorizes contact with such individual or entity):

Alternative Contact Name:

Alternative Contact Address:

Telephone No. of Alternative Contact:

Email Address of Alternative Contact:

Please complete the following:

1. Was your investment/loan made from an IRA account? **NO**

If YES, please print the IRA Custodian name, address and phone number as well as your account number here:

Custodian Name and Address:

.....

Telephone No. of Custodian:

Email Address of Custodian:

Account Number:

2. Name as it should appear on distribution check (if YES on Item 1. above, be certain to clarify if such payment is to be made payable to and sent directly to the IRA Custodian or to you individually):

Payee: Kim Funding, LLC

Payment Address (only IF different than address on file):

Payment Address:

.....

NET LOSS CALCULATION(S): See Attached Explanatory Statement

According to the records of the Receivership Entities, it appears, you have made the following investments in and received the following payments from the Receivership Entities or others in connection with the scheme (to include payments to you made from Chicago Title):

DETAILED CHART ON FOLLOWING PAGE(s)

If the information above is not consistent with your records (investor name or amounts), you will need to provide corrected information in the same format as Section 3 above (attach additional sheets if necessary) and supporting documentation, further discussed below.

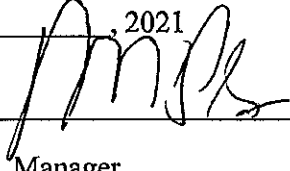
3. **Supporting Documents:** **DO NOT SEND** copies of supporting documents if you agree with the information listed in Section 3 above. However, if you dispute the investor name or amounts listed in Section 3 above, **DO SEND COPIES ONLY** of all documents which support your corrected investment information along with your completed and signed Proof of Claim and W9 Forms to: E3 Advisors, Attn: ANI Claims Process Administrator, 501 West Broadway, Suite 290, San Diego, CA 92101. Examples of supporting documentation include bank statements, canceled checks, wire transfer documents, contracts, email messages, or other written correspondence. If the Receiver has questions or needs further information, her office will contact you.

4. **Date Stamped Copy:** To receive an acknowledgement of the filing of your Proof of Claim Form, please enclose a stamped, self-addressed envelope and an additional copy of this Proof of Claim Form.

5. **Signature:** Sign and print the name and title, if any, of the claimant or other person authorized to file this claim (attach copy of power of attorney, death certificate, trust beneficiary, or other documents as needed). **YOU MUST PROVIDE AN ORIGINAL SIGNATURE.**

PLEASE NOTE that we cannot provide you with tax or legal advice relating to your claim. If you have concerns about the tax or legal implications of your claim, please contact an attorney or your tax advisor.

By Signing My/Our Name Below, I/We Acknowledge and Affirm that: I/we will supplement this Proof of Claim Form if any information given later becomes inaccurate or incomplete; I/we am/are a creditor of the Receivership Entities; I/we hereby affirm that the answers provided herein are truthful; and that I/we understand that this Proof of Form is submitted under penalty of perjury.

Date: _____, 2021
Signature:  Name: Kim Funding, LLC by Kim H. Peterson
Title (if any) Manager

Signature: _____ Name: _____
Title (if any) _____

**Substitute FORM W-9
Taxpayer Identification Number Certification**

Social Security Number / Taxpayer Identification Number: 46-5490273

Exempt Payee Code (if any) _____ Exemption from FATCA reporting code (if any) _____

Check appropriate box for federal tax classification:

☐ Individual ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate ☐ Other

☒ Limited Liability Company - choose tax classification ☐ C Corporation ☐ S Corporation ☒ Partnership

Print your name as it appears on your federal income tax return:

Kim Funding, LLC
First Name and Last Name, for Individuals. Entity Name for businesses and trusts.

Under penalty of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number; and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (including a U.S. resident alien); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Note: If you have been notified by the IRS that you are subject to backup withholding, you must cross out item 2 above.

Signature

of U.S. Person: [Signature]

Date: 12/20/21

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.
GINA CHAMPION-CAIN and ANI
DEVELOPMENT, LLC,

Defendants,

AMERICAN NATIONAL
INVESTMENTS, INC.,

Relief Defendant.

Case No. 3:19-cv-01628-LAB-AHG

**EXPLANATORY STATEMENT TO
PROOF OF CLAIM OF KIM
FUNDING, LLC**

On August 28, 2019, (the "Filing Date") the United States Securities and Exchange Commission commenced the above captioned action by filing a complaint against Gina Champion-Cain and ANI Development, LLC ("ANI") alleging violations of federal securities laws. The Court entered an order on September 3, 2019, appointing Krista Freitag ("Receiver") as permanent receiver for ANI, American Investments, Inc., and their subsidiaries and affiliates (the "Receivership Entities"), as more particularly identified in that order.

Prior to the Filing Date, Kim Funding, LLC ("Kim Funding"), provided funding to ANI pursuant to a funding agreement ("Funding Agreement") between Kim Funding and ANI, which is attached hereto as Exhibit No. 1. In connection with the Funding Agreement, Kim Funding borrowed funds from various individuals and entities pursuant to various loan agreements. As of the Filing Date, the outstanding amount of those loans total at least \$117,575,000. Below is a schedule that identifies

the name of the individual or entity associated with each loan, the amount of the loan, and the corresponding exhibit, which contains supporting documentation:

Exhibit No.	Name	Amount
2.	ABPS LLC	\$500,000
3.	Ali M. Mojdehi IRA	\$475,000
4.	Behnam Malekkhosravi and Noushin Malekkhosravi	\$4,000,000
5.	L'Audace, LLC	\$7,750,000
6.	Nima Malek Khosravi	\$1,000,000
7.	Yuan Yu	\$1,000,000
8.	Polly Yu	\$400,000
9.	Shelley Lynn Tarditi Trust	\$400,000
10.	Payson R. Stevens & Kamaljit Kaur Kapur Trust dated March 28, 2014	\$500,000
11.	Albert J. Duerr	\$700,000
12.	Duerr Properties, LLC	\$8,500,000
13.	Catherine D. Duerr	\$800,000
14.	Susan Heller Fenley Separate Property Trust DTD 03/04/2010	\$5,000,000
15.	Susan Heller Fenley Inherited Roth IRA	\$1,000,000
16.	ROJ, LLC	\$275,000
17.	Bristol Brokerage Company, Inc.	\$4,000,000
18.	Sandra K. Shutz Trust, Ronald Shutz, Trustee	\$500,000
19.	Ronald M. Shutz Trust	\$200,000
20.	Karen V. Peterson	\$650,000
21.	Sagerman Family Trust dated January 23, 2013	\$200,000
22.	Weiler-Moore Family Trust dated November 3, 1999	\$1,000,000
23.	Peter Zwichorowski	\$550,000
24.	Bristol Brokerage Company 401k Plan	\$225,000
25.	Lyle Family Trust	\$100,000
26.	Jon P. Peterson	\$300,000
27.	Kim H. Peterson	\$675,000
28.	HAV Global Macro Fund, L.P.	\$6,000,000
29.	San Diego Private Bank	\$12,475,000
30.	Banc of California, National Association	\$35,000,000 ¹
	Ovation Finance Holdings 2, LLC	\$23,400,000 ²

Kim Funding files this proof of claim ("Claim") asserting, without limitation, a claim for no less than **\$117,575,000**. Kim Funding reserves the right to amend

¹ The ownership of these funds is currently at issue in the action styled as *Ovation Finance Holdings 2 LLC et al. v. Chicago Title Ins. Co. et al.*, Case No. 37-2020-00034947-CU-FR-CTL (S.D. Super. Ct.). It is unclear at this time who will ultimately be determined to be the owner of these funds.

² The ownership of these funds is currently at issue in the action styled as *Ovation Finance Holdings 2 LLC et al. v. Chicago Title Ins. Co. et al.*, Case No. 37-2020-00034947-CU-FR-CTL (S.D. Super. Ct.). It is unclear at this time who will ultimately be determined to be the owner of these funds.

1 and/or supplement this Claim at any time, in any manner, and for any purpose. Kim
2 Funding further reserves the right to file additional proofs of claim for additional
3 claims which may be based on the respective rights and obligations arising under the
4 documents attached to this Claim, the relationships identified herein or the same
5 events and circumstances referred to herein.

6 Kim Funding further reserves, without limiting the generality of the
7 foregoing, the right to amend and/or supplement the calculation of amounts owing
8 to Kim Funding, to attach or bring forth additional documents supporting its Claim,
9 and additional documents that may become available after further investigation and
10 discovery.

11 The filing of this Claim shall not constitute a waiver or release of any of Kim
12 Funding's rights, including, without limitation, (a) Kim Funding's rights against the
13 Receivership Entities, the Receiver, or any other person, entity, or property; (b) Kim
14 Funding's right to contest the jurisdiction of this Court with respect to the subject
15 matter of the Claim, any objection or other proceeding commenced with respect
16 thereto or any other proceeding commenced in this case against or otherwise
17 involving Kim Funding, (c) Kim Funding's election of remedies or choice of law,
18 (d) any right to trial by jury that Kim Funding may have in any civil proceeding
19 arising in or related to this case, or (e) any rights not already referenced in the
20 foregoing.

21 This Claim shall not constitute a waiver of any netting or setoff rights that
22 Kim Funding may have under applicable law.

23 Kim Funding further reserves all and any rights against parties other than the
24 Receivership Entities based on the facts and circumstances described herein.

25 All notices with respect to this Claim should be sent to:

26 Kim Funding, LLC
27 P.O. Box 676237
Rancho Santa Fe, CA 92067
28 Attention: Kim H. Peterson
Phone: (858) 481-3539
Email: kimharoldpeterson@gmail.com

1 with copies to:

2 **BAKER & HOSTETLER LLP**

3 Amy E. Vanderwal, Esq.
4 45 Rockefeller Plaza
5 New York, NY 10111
6 Phone: (212) 589-4200
Facsimile: (212) 589-4201
Email: avanderwal@bakerlaw.com

7 - and -

8 Lauren T. Attard, Esq.
9 11601 Wilshire Boulevard
Suite 1400
10 Los Angeles, CA 90025
Phone: (310) 820-8800
11 Facsimile: (310) 820-8859
Email: lattard@bakerlaw.com

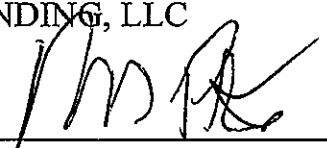
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1 Dated: December __, 2021

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3 KIM FUNDING, LLC

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5 By: _____

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7 KIM H. PETERSON, MANAGER

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EXHIBIT 1

Funding Agreement
(Kim Funding, LLC)

This Agreement, dated January 16, 2015, is executed by (1) ANI Development, LLC, a California limited liability company ("ANI"), and (2) Kim Funding, LLC, a California limited liability company ("Kim"). This Agreement is executed with reference to the following facts:

A. ANI has a finance lender's license issued by California Department of Corporations, License No. 603 K570.

B. ANI is in the business of delivering funds to Escrow Holder (defined below) to satisfy the requirements of California Department of Alcoholic Beverage Control ("ABC") that, in connection with an application for transfer of a license issued by ABC, the applicant deposit in escrow all or a portion of the consideration proposed to be paid by the applicant to the holder of the license, and such funds remain held in escrow pending ABC's approval of the application or cancellation of the escrow following ABC's disapproval of the application.

C. ANI, Gina Champion Cain, Peterson Family Trust dated 8/29/83 ("Peterson Trust"), and Kim H. Peterson ("Peterson") previously executed that certain Funding Agreement ("the Prior Agreement") dated August 20, 2013, by which the parties to the Prior Agreement agreed to the terms and conditions by which Peterson Trust and Peterson provided funds to ANI for the same purposes for which Kim agrees to furnish funds to ANI pursuant to the terms of this Agreement. ANI and Kim intend that the terms of this Agreement will apply to escrows funded on and after the date of this Agreement and the Prior Agreement shall apply with respect to escrows funded prior to the date of this Agreement.

In consideration of the above recitals and the mutual agreements stated below, the parties agree:

1. Definitions. The following terms shall have the following definitions in this Agreement:

1.1 ABC. California Department of Alcoholic Beverage Control.

1.2 ABC Deposit Requirement. ABC's requirement that in connection with an application for ABC's approval of a transfer of an ABC License by a Seller to an Applicant, the Applicant make a deposit to be held in escrow pending ABC's approval or disapproval of such transfer.

1.3 ABC License. A license issued by ABC.

1.4 Aggregate Net Proceeds. The aggregate amount of all Escrow Net Proceeds.

1.5 Applicant. A person or entity that has (1) been referred to ANI by William Adam, attorney located in Sacramento, and (2) applied or is in the process of applying to ABC for ABC's approval for transfer by a Seller to the Applicant of an ABC License.

1.6 Applicant Loan Agreement. An agreement between ANI and an Applicant by which (1) ANI agrees to deliver to Escrow Holder the funds required to satisfy the Applicant's ABC Deposit Requirement and (2) the Applicant agrees to pay to ANI compensation for ANI's delivery to Escrow Holder of such funds. Each Applicant Loan Agreement shall provide:

1.6.1 If the Applicant's License Transfer Escrow is terminated because ABC disapproves the Applicant's application for transfer of the ABC License or the Applicant withdraws the application, the Applicant shall not be obligated to pay anything to ANI.

1.6.2 If the Applicant's application is approved, the Applicant shall (1) replace with Applicant's funds the full amount of the deposit made into the Funds Deposit Escrow and (2) the Applicant shall pay ANI compensation equal to the following:

<u>Applicable Period Funds Held in Funds Deposit Escrow</u>	<u>Compensation Amount</u>
1 Day to End of 4 Months	15% of Deposit Amount
4 Months + 1 Day to End of 5 Months	16% of Deposit Amount
5 Months + 1 Day to End of 6 Months	18% of Deposit Amount
6 Months + 1 Day and Longer	20% of Deposit Amount

1.7 Escrow Deficit Amount. The amount by which, upon termination of a Funds Deposit Escrow, the amount owed to the Third-Party Lender that funded such Funds Deposit Escrow exceeds the amount of funds remaining in the Funds Deposit Escrow (e.g., if (1) the amount owed to a Third-Party Lender was \$105,000.00 and (2) the amount remaining in the Funds Deposit Escrow was \$100,000.00, then the Escrow Deficit Amount would be \$5,000.00).

1.8 Escrow Holder. Chicago Title Company or such other licensed escrow company that ANI and Kim may agree to use to hold funds pursuant to a Funds Deposit Escrow.

1.9 Escrow Net Proceeds. The total amount paid to ANI by an Applicant pursuant to an Applicant Loan Agreement less Kim's Cost of Funds with respect to a specific Funds Deposit Escrow. Escrow Net Proceeds shall also include interest accrued on funds held in a Funds Deposit Escrow. ANI and Kim acknowledge and agree that (1) the Applicant Loan Agreements provide that if ABC disapproves the Applicant's transfer application or the Applicant withdraws the application, then the amount deposited into the Funds Deposit Escrow is refunded in full to ANI or the applicable Third-Party Lender, but the Applicant is not obligated to pay any compensation to ANI and (2) since Kim remains obligated to the Third-Party Lender following termination of a Funds Deposit Escrow following ABC's disapproval of a license transfer application or the Applicant withdraws the application, Escrow Net Proceeds may be a negative number (i.e., an Escrow Deficit Amount may exist).

1.10 Funding Notice. A written notice sent by ANI to Kim that contains (1) names of prospective Applicants and (2) the amount each such Applicant is required to deposit with Escrow Holder to satisfy the ABC Deposit Requirement. Promptly following ANI's receipt from William Adam of a list of prospective Applicants, ANI shall deliver to Kim and ABC Funding Strategies, LLC, a Funding Notice related to such Applicants.

1.11 Funds Deposit Escrow. An escrow established by ANI with Escrow Holder to hold the funds delivered to satisfy an Applicant's ABC Deposit Requirement. Each Funds Deposit Escrow shall be related to, but a separate escrow from, the Applicant's License Transfer Escrow.

1.12 Funds Deposit Escrow Instructions. Written instructions to Escrow Holder to establish a Funds Deposit Escrow, which instructions shall be substantially in form and of content as Exhibit 1 attached hereto. ANI and Kim agree to make modifications to the Funds Deposit Escrow Instructions as may be reasonably required by Escrow Holder or a Third-Party Lender. Funds Deposit Escrow Instructions shall be completed to conform to the manner in which funds are to be disbursed, as described in Paragraph 3 below.

1.13 Kim's Cost of Funds. The amount Kim is required to pay to (1) Third-Party Lenders (defined below) for funds received from Third-Party Lenders for Third-Party Loans; however, the amount owed to Third-Party Lenders shall not exceed refund of the amount of the Third-Party Loan plus interest at the rate of 12 percent per annum on the unpaid balance of the Third-Party Loan, (2) Escrow Holder for fees in connection with a Funds Deposit Escrow to the extent that such fees are not reimbursed or paid directly by an Applicant, (3) Escrow Holder and/or financial institutions for wire transfer fees for transfer of funds in and out of Funds Deposit Escrows, and (4) out-of-pocket fees for bookkeeping/accounting. If funds for a Funds Deposit Escrow were furnished by a Kim Direct Funding, Kim's Cost of Funds shall include interest at the rate charged by Kim's Line of Credit Lender for the period the funds were held in the Funds Deposit Escrow.

1.14 Kim Direct Funding. Funding of a Funds Deposit Escrow from Kim's own funds or Kim's Line of Credit.

1.15 Kim's Line of Credit. A line of credit issued to Kim or person or entity related to Kim by a bank or other institutional lender, including the existing lines of credit issued to Kim H. Peterson and Peterson Family Trust by Wells Fargo Bank and Torrey Pines Bank.

1.16 Kim's Line of Credit Lender. A bank or other institutional lender that issues a Kim Line of Credit.

1.17 License Transfer Escrow. An escrow established with Escrow Holder to facilitate the transfer by a Seller to an Applicant of the Seller's ABC License.

1.18 Seller. The holder of an ABC License that has executed an agreement with an Applicant to sell such ABC License to the Applicant pursuant to a License Transfer Escrow.

1.19 Third-Party Lender. A person or entity that furnishes to Kim a Third-Party Loan.

1.20 Third-Party Loan. A loan made to Kim to provide funds to deposit into a Funds Deposit Escrow. Third-Party Loans include funding arrangements between Kim and HAV Global Macro Fund, L.P.; however, Third-Party Loans do not include funding arrangements between Kim and ABC Funding Strategies, LLC.

2. Delivery of Funds for Funds Deposit Escrow. Within 10 business days following Kim's receipt of a Funding Notice, Kim shall deliver to ANI a notice ("a **Funding Response Notice**") stating that Kim will fund all of the amounts shown on the Funding Notice or stating which Applicants for whom Kim will fund the deposit amounts shown on the Funding Notice. With respect to each Applicant's deposit that Kim has agreed to fund, ANI shall establish with Escrow Holder a Funds Deposit Escrow by executing and delivering to Escrow Holder Funds Deposit Escrow Instructions. In advance of ANI's delivery to Escrow Holder of the Funds Deposit Escrow Instructions, Kim shall furnish to ANI the name and account transfer information of each Third-Party Lender or other party furnishing the deposit amounts to fund the Funds Deposit Escrows. Within five business days following Kim's receipt from ANI of a copy of signed Funds Deposit Escrow Instructions related to an Applicant identified on a Funding Response Notice, Kim shall cause to be delivered to Escrow Holder the amount of the deposit identified on Kim's Funding Response Notice that Kim agreed to fund for such Applicant. ANI and Kim acknowledge and agree (1) ANI and ABC Funding Strategies, LLC, are parties to a funding agreement similar to this Agreement and (2) if Kim and ABC Funding Strategies, LLC, both deliver to ANI a Funding Response Notice by which Kim and ABC Funding Strategies, LLC, each agrees to fund one or more of the same Applicants, then Kim Funding, LLC, shall have priority and be entitled to furnish funds to the Funds Deposit Escrow(s) for such Applicant(s).

3. Allocation and Distribution of Aggregate Net Proceeds. ANI shall be entitled to 20 percent of Aggregate Net Proceeds and Kim shall be entitled to 80 percent of Aggregate Net Proceeds.

3.1 Disbursement upon Termination of Funds Deposit Escrow. Upon termination of a Funds Deposit Escrow and after payment of fees owed to Escrow Holder related to the terminated Funds Deposit Escrow, the funds remaining in the Funds Deposit Escrow shall be disbursed as follows:

3.1.1 Third-Party Loan. Upon termination of each Funds Deposit Escrow established with Funds from a Third-Party Lender, funds in the Funds Deposit Escrow shall be disbursed as follows:

3.1.1.1 Escrow Holder shall disburse to the applicable Third-Party Lender the amount the Third-Party Lender is entitled to receive pursuant to the terms of the Third-Party Loan. If the amount held by Escrow Holder in the Funds Deposit Escrow is not sufficient to pay the full amount owed to the Third-Party Lender (i.e., an Escrow Deficit Amount exists), Kim shall deliver to Escrow Holder (or pay directly to the Third-Party Lender) the Escrow Deficit Amount.

3.1.1.2 After Escrow Holder's disbursement to the Third-Party Lender of the full amount owed by Kim to the Third-Party Lender, Escrow Holder shall disburse to ANI the balance of funds remaining in the Funds Deposit Escrow, if any, and within five business days following ANI's receipt of such disbursement, ANI shall disburse to Kim 80 percent of such funds, and ANI shall retain 20 percent of such funds, pending reconciliation of the Aggregate Net Proceeds.

3.1.2 Kim Direct Funding. Upon termination of a Funds Deposit Escrow established with funds from a Kim Direct Funding, all of the funds in the Funds Deposit Escrow shall be disbursed by Escrow Holder to ANI, and within five business days following ANI's receipt of such funds, ANI shall disburse to Kim all of such funds less an amount equal to 20 percent of the difference between (1) the total amount disbursed to ANI by Escrow Holder in connection with the Funds Deposit Escrow and (2) the sum of (i) the amount deposited by Kim into the Funds Deposit Escrow and (ii) Kim's Cost of Funds related to such Funds Deposit Escrow. For example, if (1) Kim through a Kim Direct Funding deposited \$100,000.00 into the Funds Deposit Escrow, (2) Escrow Holder disbursed to ANI \$115,000.00 from the Funds Deposit Escrow, and (3) Kim's Cost of Funds with respect to the Funds Deposit Escrow was \$107,000.00 (consisting of \$100,000.00 deposited amount, \$5,000.00 interest on the deposited amount, and \$2,000.00 Escrow Holder and other costs), then ANI would disburse to Kim \$113,400.00 (i.e., $((\$115,000.00 - \$107,000.00) \times .8) + \$107,000.00 = \$113,400.00$) and ANI would retain \$1,600.00 (i.e., $.2 \times (\$115,000.00 - \$107,000.00) = \$1,600.00$).

3.1.3 Estimated Kim's Cost of Funds. If at the time of termination of a Funds Deposit Escrow the exact amount of Kim's Cost of Funds related to such Funds Deposit Escrow cannot be determined, then (1) the initial disbursements between Kim and ANI shall be made based upon a reasonable estimate of Kim's Cost of Funds and (2) adjustments shall be made following Kim's preparation of a Reconciliation Statement, as provided below.

3.2 Reconciliation. From time to time, but not less than annually, Kim shall provide to ANI a statement ("**a Reconciliation Statement**") that shows (1) the total amount disbursed by Escrow Holder from terminated Funds Deposit Escrows for the time period covered by the Reconciliation Statement, (2) Kim's Cost of Funds for the period covered by the Reconciliation Statement, (3) calculation of Aggregate Net Proceeds for the time period covered by the Reconciliation Statement, (4) amount disbursed to and retained by ANI during the period covered by the Reconciliation Statement, and (5) the amount owed (i) to ANI if the aggregate amount previously disbursed to ANI for the time period covered by the Reconciliation Statement is less than 20 percent of the Aggregate Net Proceeds for the time period covered by the Reconciliation Statement or (ii) by ANI if the aggregate amount previously disbursed to ANI for the time period covered by the Reconciliation Statement exceeds 20 percent of the Aggregate

Net Proceeds for the time period covered by the Reconciliation Statement. If the Reconciliation Statement shows that the amounts previously disbursed to and retained by ANI for Escrow Net Proceeds covered by the Reconciliation Statement exceeds 20 percent of the Aggregate Net Proceeds shown on the Reconciliation Statement, then, within 10 days following ANI's receipt of the Reconciliation Statement, ANI shall pay Kim the amount of such excess. If the Reconciliation Statement shows that the amounts previously disbursed to and retained by ANI for Escrow Net Proceeds covered by the Reconciliation Statement are less than 20 percent of the Aggregate Net Proceeds shown on the Reconciliation Statement, then, within 10 days following ANI's receipt of the Reconciliation Statement, Kim shall pay ANI the amount of such deficit. ANI may, from time to time, review Kim's books and records pertaining to Kim's Cost of Funds, and Kim may, from time to time, review ANI's books and records regarding disbursements to ANI from Funds Deposit Escrow; however, Kim and ANI agree that no adjustment shall be made to Kim's determination of Aggregate Net Proceeds shown on a Reconciliation Statement more than one year after ANI's receipt of the Reconciliation Statement.

4. Term of Agreement. The term of this Agreement commences on the date hereof and shall expire on the date that is 15 years following the date of this Agreement, unless sooner terminated upon the occurrence of the following:

4.1 Material Breach. Material breach by either party to this Agreement if such breach continues for 30 days following delivery by the non-breaching party to the breaching party of written notice of such breach.

4.2 Failure to Deliver Funding Notices. ANI's failure, within 30 days following ANI's receipt of a Kim Termination Notice to deliver to Kim one or more Funding Notices for prospective Applicants whose deposit requirements aggregate at least \$1,000,000.00. Kim may deliver to ANI a written notice to terminate ("**a Kim Termination Notice**") if, at any time, the aggregate amount of all funds held in open Funds Deposit Escrows established with funds from Kim and ABC Funding Strategies, LLC, is less than \$5,000,000.00 and continues at or below that amount for a period of 60 consecutive days.

4.3 Failure to Deliver Funds. Kim's failure to agree to provide funds for at least the lesser of (1) 50 percent of all requested deposits shown on ANI's Funding Notices delivered over a period of two consecutive months or (2) the Minimum Funding Amount (defined below) and such failure continues for a period of 30 days following ANI's delivery to Kim of an ANI Termination Notice. ANI may deliver to Kim a written termination notice ("**an ANI Termination Notice**") if at any time the aggregate amount of funds in all open Funds Deposit Escrows established with funds from Kim and ABC Funding Strategies, LLC, is less than \$4,000,000.00 and remains at or below such level for two or more consecutive months. As used herein, "**Minimum Funding Amount**" shall mean the following amounts during the following applicable periods:

<u>Applicable Period</u>	<u>Minimum Funding Amount</u>
Date of this Agreement through June 30, 2015	N/A
July 1, 2015, through December 31, 2015	\$1,500,000.00
January 1, 2016, through June 30 2016	\$1,750,000.00
July 1, 2016, through Expiration/Termination of this Agreement	\$2,000,000.00

Upon expiration or termination of this Agreement, the terms of this Agreement shall continue in effect with respect to all open Funds Deposit Escrows.

5. Exclusivity. During the term of this Agreement, Kim shall not directly or indirectly agree with any person or entity other than ANI to provide funds to deposit into escrow to satisfy an Applicant's ABC Deposit Requirement. During the term of this Agreement and except as provided below, ANI shall not directly or indirectly enter into any agreement with any person or entity other than Kim to furnish funds to deposit into escrow for the benefit of an Applicant to satisfy the Applicant's ABC Deposit Requirement; however, notwithstanding the foregoing, ANI may accept funds from persons other than Kim to deposit into Funds Deposit Escrows, as follows:

5.1 ABC Funding Strategies, LLC. ANI may accept from ABC Funding Strategies, LLC, funds to fund Funds Deposit Escrows without any limit on the aggregate amount of such funds.

5.2 Father's Funds. ANI may accept from Gina Champion Cain's father funds to fund Funds Deposit Escrows, provided that the outstanding aggregate amount of all such funds shall not exceed \$1,000,000.00 at any time.

5.3 Third-Party Compensation Limit. For Funds Deposit Escrows established after June 1, 2015, the amount of compensation paid by ANI to any third party (including Gina Champion-Cain's father) providing funds for Funds Deposit Escrows or any other ABC-related escrows shall not exceed interest at the rate of 12 percent per annum. ANI acknowledges that at least one of Kim's sources of funds has the benefit of an agreement that entitles the source to receive matching compensation if any other source of funds receives a return at a rate in excess of 12 percent per annum.

5.4 Unapproved Applicants. ANI may accept funds from any person or entity to fund Funds Deposit Escrows to the extent that Kim and/or ABC Funding Strategies, LLC, have not furnished a Funding Response Notice agreeing to provide the funds requested in a Funding Request Notice (e.g., if ANI delivered to Kim a Funding Notice requesting that Kim agreed to furnish funds for three separate Applicants needing deposits of \$50,000.00, \$75,000.00, and \$100,000.00, respectively, and Kim's Funding Response Notice stated that Kim agreed to fund only one Applicant needing a deposit of \$50,000.00 and ABC Funding Strategies, LLC, Funding Response Notice stated ABC Funding Strategies, LLC, agreed to fund only one Applicant needing a deposit of \$75,000.00, then ANI would be entitled to seek funds from any source to fund the Applicant needing \$100,000.00).

5.5 Funding Failure. ANI may obtain funds from any person or entity to fund the Funds Deposit Escrow for an Applicant for whom Kim agreed in a Funding Response Notice and Kim fails to provide the required funds on time and such failure continues for three business days following ANI's delivery to Kim and ABC Funding Strategies, LLC, of written notice of such failure. Within three business days following ABC Funding Strategies, LLC's, receipt of such notice, ABC Funding Strategies, LLC, may provide funds for such Applicant in the same manner as if ABC Funding Strategies, LLC, had identified such Applicant on a Funding Response Notice issued by ABC Funding Strategies, LLC, and the Funds Deposit Escrow Instructions shall be modified to refer to ABC Funding Strategies, LLC, and ABC Funding Strategies, LLC's account information.

Upon expiration or termination of this Agreement, the exclusivity covenants in this paragraph shall cease.

6. General Provisions. The parties further agree:

6.1 Finance Lending License. ANI shall, at all times and at ANI's sole cost, maintain in force ANI's finance lender's license. Within 10 days following ANI's receipt from AFS of AFS's written request for proof of compliance with ANI's licensing requirement, ANI shall furnish to AFS such proof of compliance.

6.2 Time of the Essence. All times and dates in this Agreement shall be of the essence.

6.3 Entire Agreement. This Agreement contains all representations and the entire understanding and agreement between the parties.

6.4 Governing Law; Venue; Attorney's Fees. This Agreement shall be governed by and construed in accordance with the laws of California. The venue for any action or arbitration arising out of this Agreement shall be in San Diego County, California. The prevailing party in any action or arbitration arising out of this Agreement shall be entitled to reasonable attorney's fees.

6.5 Notices. Notices given under this Agreement shall be in writing and shall either be served personally or delivered by first class U.S. Mail, overnight courier (e.g., FedEx), or e-mail. Notices shall be deemed received at the earlier of actual receipt or three days following deposit in the U.S. Mail, as provided above. Notices shall be directed to the addresses shown on the signature page hereof, provided that a party may change the address for notice by giving written notice to the other party in accordance with the provisions hereof.

6.6 Arbitration. If (1) any party to this Agreement asserts against any other party a claim or cross-claim that relates to this Agreement, whether such claim is founded upon contract, tort, or equity, and (2) the amount in controversy with respect to such claim exceeds the then current jurisdictional limit of Small Claims Court or the primary relief sought by the claimant is not relief that may be awarded in Small Claims Court (e.g., injunctive relief), such claim or cross-claim shall be submitted to arbitration pursuant to California Code of Civil

Procedure section 1280, et seq., and in connection with such arbitration, the following shall apply:

6.6.1 The arbitration shall be conducted by a single arbitrator.

6.6.2 The venue for the arbitration shall be in San Diego County, California.

6.6.3 The parties shall have the right to conduct full discovery, as allowed under California Code of Civil Procedure section 1283.05.

6.6.4 Pending issuance of the arbitrator's award, the parties shall pay fees and administrative expenses charged by the arbitrator in proportion to their Percentage Interests. Following issuance of the arbitrator's award, the arbitrator (1) may, in the arbitrator's discretion, award to the prevailing party the amount incurred by the prevailing party for the arbitrator's fees and administrative expenses and (2) shall award to the prevailing party reasonable attorney's fees.

6.6.5 After issuance of the arbitrator's award, any party that participated in the arbitration may file a petition to have the award entered as a judgment.

Notwithstanding the foregoing, this paragraph shall not apply to any action initiated and determined in small claims court. Nothing contained in this Agreement shall be construed to preclude any Member from initiating an action in the Superior Court for the purpose of obtaining provisional relief and, after the provisional relief has been granted, seeking an order staying the action and compelling arbitration, as provided above.

6.7 Legal Representation. F. Sigmund Luther has represented solely Kim in connection with the preparation of this Agreement, and has not and will not represent the other parties named in this Agreement. ANI acknowledges that obtaining legal counsel to represent ANI in connection with the negotiation of this Agreement is ANI's responsibility.

ANI Development, LLC,
a California limited liability company

By 

Gina Champion Cain, Manager

Address 4445 Lament St.

San Diego, CA 92109

Email _____

gina@americannationalinvestments.com

Kim Funding, LLC,
a California limited liability company

By 

Kim H. Peterson, Manager

P.O. Box 676237

Rancho Santa Fe, California 92067

12626 High Bluff Drive, Suite 360
San Diego, California 92130

Email kimharoldpeterson@gmail.com

Schedule of Exhibits

Exhibit 1 Form Instruction to Escrow Holder for Funds Deposit Escrow

Exhibit 1

Form Instruction to Escrow Holder for Funds Deposit Escrow

Escrow No. _____

Chicago Title Company
701 B Street, Suite 760
San Diego, CA 92101

ESCROW AGREEMENT
(Holding Funds)

This Escrow Agreement ("Agreement") is made and entered into as of _____, 20__, by and between ANI Development, LLC, a California limited liability company ("Lender") and Chicago Title Company, a California corporation ("Escrow Holder").

R E C I T A L S

Lender desires to deposit certain funds and direct others to deposit certain funds (the "Deposit") into this Escrow and to provide Escrow Holder with written instructions setting forth the conditions under which Escrow Holder will invest and hold the funds and ultimately disburse them.

Lender and Escrow Holder understand that this is a limited escrow only and is being opened for the benefit of _____ ("Applicant"), who is applying for approval of a transfer to Applicant of a license issued by the California Department of Alcoholic Beverage Control ("ABC") under Business and Professions Code Sections 24070-24082. The license that is the subject of Applicant's application to ABC is License No. _____ ("the License").

NOW, THEREFORE, the parties agree as follows:

A G R E E M E N T S

Deposit. Within five business days following the date this Agreement is signed by Lender and Escrow Holder, Lender will cause to be deposited a total sum of \$_____ ("the Deposit") with Escrow Holder for the refundable deposit for Applicant's application to ABC for approval of transfer to Applicant of the License. The source of funds for the Deposit shall be from an account at _____ [NAME OF THIRD-PARTY LENDER'S OR KIM'S BANK] Bank in the name of _____ [NAME OF THIRD-PARTY LENDER OR KIM]. Escrow Holder will do the following:

Invest Funds. Place the Deposit into an interest bearing account with all interest accruing to the account of Lender. Concurrently herewith Lender will provide Escrow Holder with the required IRS Form W-9 and Investment Instructions required to establish such account.

226 Form. Escrow Holder shall send to ABC a completed Form 226 upon Escrow Holder's receipt of the Deposit.

Release of Deposit. At any time, Lender may provide written instructions to Escrow Holder to release all or a portion of the Deposit and the interest thereon. During the term of this Escrow, upon the written instructions from Lender, Escrow Holder will disburse the Deposit [and, as instructed by Lender, interest thereon at a per annum rate of _____] [IF APPLICABLE, SPECIFY INTEREST RATE CHARGED BY THIRD-PARTY LENDER] only to the following account:

Custodian/Broker: _____
Address: _____
ABA Number : _____
Account Number: _____
Account Name: _____

Upon receipt of such instructions, Escrow Holder's only duty is to comply with said instructions and to disburse the Deposit as requested by Lender and in accordance with this Escrow Agreement.

Escrow Holder's Requirement to Terminate Escrow. Escrow Holder shall terminate this Escrow upon the earlier of instructions of Lender or 185 days after this Escrow has been opened, unless requested to do otherwise by Lender. At the time that this Escrow is terminated, the Deposit and, as instructed by Lender, any interest thereon shall be disbursed to _____ [NAME OF THIRD-PARTY LENDER OR OTHER SOURCE OF FUNDS] account referenced above, and all remaining funds shall be disbursed to Lender unless otherwise directed, less Escrow Holder's unpaid fees.

Escrow Holder's Fee. Lender shall pay to Escrow Holder a fee in the amount of \$1,000.00 for Escrow Holder's services provided in connection with this Escrow, which fee shall be paid \$500.00 upon Escrow Holder's receipt of the Deposit and \$500.00 upon Escrow Holder's release of the Deposit.

Escrow Holder's General Provisions. By signature hereon, Lender approves Escrow Holder's General Provisions, a copy of which is attached to this Agreement as Exhibit "A" and are incorporated by reference as if fully set forth in this section.

Escrow Holder's Wiring Instructions. By signature hereon, Lender approves Escrow Holder's Wiring Instructions directive, a copy of which is attached to the Agreement as Exhibit "B" and are incorporated by reference as if fully set forth in this section.

Third Party Beneficiary. Lender and Escrow Holder agree that _____ [NAME OF THIRD-PARTY LENDER OR KIM-RELATED ENTITY] shall be, and is hereby, named an express third party beneficiary of this Agreement, with full rights as such. The language of this Agreement relating to "Release of Deposit" and "Escrow Holder's Requirement to Terminate

Escrow” cannot be amended without the advance written consent of the _____ [NAME OF THIRD-PARTY LENDER OR KIM-RELATED ENTITY].

IN WITNESS WHEREOF, this Agreement has been executed by the parties effective as of the date indicated above.

LENDER

ANI Development, LLC, a California limited liability company
4445 Lamont Street
San Diego, CA 92109

By _____
Date _____

ESCROW HOLDER

Chicago Title Company, a California corporation

By _____
Date _____

Schedule of Exhibits

Exhibit A	General Provisions
Exhibit B	Escrow Holder's Wire Transfer Instructions

FIRST AMENDMENT TO FUNDING AGREEMENT

This First Amendment To Funding Agreement ("First Amendment") dated February 1, 2015, is entered into by and between Kim Funding, LLC, a California limited liability company ("Kim") and ANI Development, LLC, a California limited liability company. ("ANI"). This First Amendment is executed with reference to the following facts:

RECITALS

- A. Kim and ANI entered into a Funding Agreement ("the Original Agreement") on January 16, 2015.
- B. Section 3.1.1.2 of the Original Agreement provided that ANI would disburse to Kim, 80 percent of such funds, as described in the Original Agreement.
- C. The parties desire to Amend the Original Agreement as it pertains to the percentages set forth in Section 3.1.1.2 of the Original Agreement.

In consideration of the mutual covenants contained herein, the parties agree to the following:

At such time that the total Escrow funds being held by Chicago Title (or any successor Company) reaches \$100,000,000 by year's end, the disbursements to Kim, pursuant to Section 3.1.1.2, will be reduced to 75 percent beginning on January 1 of the following year. Said 75 percent, will be further reduced to 70 percent beginning on January 1 of the then following year. EXAMPLE: If the \$100,000,000 is reached by December 31, 2016, then on January 1, 2017, the 80 percent is reduced to 75 percent and the 75 percent to 70 percent on January 1, 2018.

Kim Funding, LLC,

a California limited liability Company

By

Kim H. Peterson, Managing Member

ANI Development, LLC

a California limited liability Company

By

Gina Champion Cain, Managing Member

ACKNOWLEDGEMENT

The parties above acknowledge that by December 31, 2018, the \$100,000,000 threshold had been met and the 80 percent to 75 percent reduction will begin on January 1, 2019, further reduced to 70 percent on January 1, 2020.

By

Kim H. Peterson, Managing Member

By

Gina Champion Cain, Managing Member

EXHIBIT 2

ABPS

Second Amendment to Loan and Guaranty Agreement

This Amendment, dated February 9, 2018, is executed by Kim Funding, LLC, a California limited liability company (the "**Company**"), Kim H. Peterson ("**Guarantor**"), and ABPS LLC, a California limited liability company ("**ABPS**"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and ABPS executed that certain Loan and Guaranty Agreement ("**the Original Agreement**") by which ABPS agreed to make available to the Company certain funds for the purposes described in the Agreement. By that certain First Amendment to Loan and Guaranty Agreement dated August 24, 2016 ("**the First Amendment**"), the Company, Guarantor, and ABPS amended the Original Agreement. The Original Agreement and the First Amendment are herein collectively referred to as "**the Agreement**."

B. By this Amendment, the parties desire to further amend the Agreement.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.5 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.5 Term. ABPS's obligation to fund Loans shall cease on the date ("the Termination Date") that is the earlier of (1) the date on which the agreement between ANI and the Company terminates or (2) the **third** anniversary of the Effective Date; however, if ABPS elects to fund Loans after the Termination Date, the terms and conditions of this Agreement shall continue to apply to all Loans funded by ABPS. As used herein, "**Due Date**" for a Loan means the date that is three Business Days following the earliest of (1) the date the License Applicant delivers to Escrow Holder the License Applicant's funds to replace the principal amount of the Loan for the required deposit to complete the license transfer to the License Applicant, (2) the date the License Applicant's license transfer escrow is terminated because ABC disapproved the License Applicant's transfer application, or (3) the date that is **365 days** after the Loan Date for such Loan. The Company shall be obligated to pay ABPS the principal on each Loan on the Due Date for such Loan.

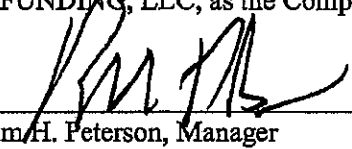
3. Section 1.6 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.6 Interest Rate and Payment. Prior to January 1, 2018, the interest rate shall be eleven percent (11%) per annum of the principal amount of the Loan. Commencing January 1, 2018, the interest rate shall be ten percent (10%) per annum of the principal amount of the Loan. The principal balance of each Loan shall bear interest thereon from the Loan Date of the Loan, based on a year consisting of 365 days, with interest computed daily based on the actual number of days elapsed. Prior to the later of the Termination Date or the date on which all principal on all Loans has been paid, interest shall be paid for each calendar quarter on or before the tenth day following the end of the calendar quarter for which interest is being paid. Within 30 days following the later of the Termination Date or the date on which all

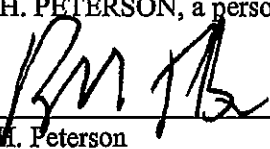
principal on all Loans has been paid, Company shall pay all remaining unpaid interest. As used herein, calendar quarter means each three-month period commencing January 1 of each year (e.g., the first calendar quarter is January 1 through March 31), and interest payments shall be due on or before April 10, July 10, October 10 and January 10 for the first, second, third and fourth calendar quarters, respectively. Notwithstanding the foregoing, if for any reason (1) the agreement between ANI and the Company terminates or (2) Escrow Agreements have to be terminated as a consequence of an order or demand by ABC, California Department of Business Oversight or other governmental agency, then (i) the interest rate on all Loans then outstanding shall be reduced to 5 percent per annum retroactive to the Loan Date for each Loan and (ii) if as of the date of such occurrence the amount Company has paid in quarterly interest payments on such outstanding loans exceeds the amount of interest actually due, based upon the reduced interest rate, ABPS shall refund to Company such excess within 20 days after Company notifies ABPS of the amount owed for such excess interest. Nothing contained in the preceding sentence shall require ABPS to refund to the Company any interest on Loans for which the principal balance has been paid in full prior to the date of such occurrence.

4. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.


KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

ABPS LLC,
a California limited liability company

By 
Print name Cyrus Mojdehi
Title Manager

First Amendment to Loan and Guaranty Agreement

This Amendment, dated August 24, 2016, is executed by Kim Funding, LLC, a California limited liability company (the "**Company**"), Kim H. Peterson ("**Guarantor**"), and ABPS LLC, a California limited liability company ("**ABPS**"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and ABPS executed that certain Loan and Guaranty Agreement ("**the Agreement**") by which ABPS agreed to make available to the Company certain funds for the purposes described in the Agreement.

B. By this Amendment, the parties desire to amend the Agreement.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.4 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.4 Evidence of Indebtedness and Principal Payment. For each Loan Request, the Company will make the payment specified in the provisions of this Agreement. Payment of principal owed under a Loan will be made on the Due Date (defined below) in freely transferable funds and in the manner customary for payments in US dollars ("**Cash**"). Payment of interest will be made as provided in Section 1.6 of this Agreement.

2. Section 1.5 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.5 Term. ABPS's obligation to fund Loans shall cease on the date ("the Termination Date") that is the earlier of (1) the date on which the agreement between ANI and the Company terminates or (2) the second anniversary of the Effective Date; however, if ABPS elects to fund Loans after the Termination Date, the terms and conditions of this Agreement shall continue to apply to all Loans funded by ABPS. As used herein, "**Due Date**" for a Loan means the date that is three Business Days following the earliest of (1) the date the License Applicant delivers to Escrow Holder the License Applicant's funds to replace the principal amount of the Loan for the required deposit to complete the license transfer to the License Applicant, (2) the date the License Applicant's license transfer escrow is terminated because ABC disapproved the License Applicant's transfer application, or (3) the date that is 270 days after the Loan Date for such Loan. The Company shall be obligated to pay ABPS the principal on each Loan on the Due Date for such Loan.

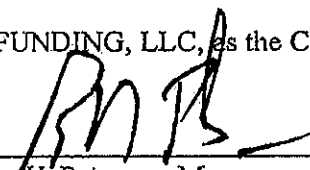
3. Section 1.6 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.6 Interest Rate and Payment. The interest rate shall be eleven percent (11%) per annum of the principal amount of the Loan. The principal balance of each Loan shall bear interest thereon from the Loan Date of the Loan, based on a year


consisting of 365 days, with interest computed daily based on the actual number of days elapsed. Prior to the later of the Termination Date or the date on which all principal on all Loans has been paid, interest shall be paid for each calendar quarter on or before the tenth day following the end of the calendar quarter for which interest is being paid. Within 30 days following the later of the Termination Date or the date on which all principal on all Loans has been paid, Company shall pay all remaining unpaid interest. As used herein, calendar quarter means each three-month period commencing January 1 of each year (e.g., the first calendar quarter is January 1 through March 31), and interest payments shall be due on or before April 10, July 10, October 10 and January 10 for the first, second, third and fourth calendar quarters, respectively. Notwithstanding the foregoing, if for any reason (1) the agreement between ANI and the Company terminates or (2) Escrow Agreements have to be terminated as a consequence of an order or demand by ABC, California Department of Business Oversight or other governmental agency, then (i) the interest rate on all Loans then outstanding shall be reduced to 5 percent per annum retroactive to the Loan Date for each Loan and (ii) if as of the date of such occurrence the amount Company has paid in quarterly interest payments on such outstanding loans exceeds the amount of interest actually due, based upon the reduced interest rate, ABPS shall refund to Company such excess within 20 days after Company notifies ABPS of the amount owed for such excess interest. Nothing contained in the preceding sentence shall require ABPS to refund to the Company any interest on Loans for which the principal balance has been paid in full prior to the date of such occurrence.

4. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.


KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

ABPS LLC,
a California limited liability company

By 
Print name Cyrus Mojdehi
Title Manager

FILED

LOAN AND GUARANTY AGREEMENT

THIS LOAN AND GUARANTY AGREEMENT is made and dated as of December 23, 2015, and is entered into by and among Kim Funding, LLC., a California limited liability company (the "**Company**"), Kim H. Peterson ("**Guarantor**"), and ABPS LLC, a California limited liability company ("**ABPS**").

RECITALS

Whereas, the Company seeks financing in an aggregate principal amount of up to Five Hundred Thousand (\$500,000), the proceeds of which to be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcohol Beverage Control as required by state regulations (each an "**Escrow Account**");

Whereas the Company is affiliated with ANI Development, LLC, a California limited liability company ("**ANI**"), and ANI will establish with Chicago Title ("**Escrow Holder**") an Escrow Account pursuant to an agreement (the "**Escrow Agreement**") to accept the proceeds of each Loan (defined below);

Whereas Guarantor has agreed to furnish a continuing guarantee of certain obligations of the Company (Guarantor and the Company each a "**Credit Party**"); and

Whereas ABPS is willing to advance the Loans to the Company on the terms and conditions set forth in this Agreement.

Therefore in consideration of the mutual covenants contained herein, ABPS hereby agrees to provide financing in the principal amount of five hundred thousand dollars (\$500,000) to the Company, on the terms and conditions set forth below.

SECTION 1 – GENERAL TERMS

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, ABPS will make available to the Company up to \$500,000.00 as of the effective date of this Agreement (the "**Effective Date**") upon which the Company may draw from time to time pursuant to multiple loans (each a "**Loan**").

Section 1.2 Use of Proceeds. The Company represents, warrants and agrees that the proceeds of each Loan will be used solely for the following purpose: contemporaneously with the Loan, the proceeds of which shall be used to fund the Escrow Accounts of persons or entities (each a "**License Applicant**") seeking authorization from the California Department of Alcoholic Beverage Control (the "**ABC**") to acquire by transfer a license issued by ABC.

Section 1.3 Loan Request. To request a Loan, the Company shall complete, sign and deliver a request for a Loan, in a form attached as Exhibit A (a "**Loan Request**") to ABPS at least three business days before the proposed funding of the Escrow Account. Not later than 1:00 PM (California time) on the third business day following ABPS's receipt of the Loan Request, ABPS

shall wire the funds in the amount and manner requested by the Loan Request provided that each of the conditions precedent to such Loan is satisfied as of the requested date of the Loan (the "**Loan Date**"). As used in this Agreement, "**Business Day**" shall mean any day other than a Saturday, Sunday or day on which banks in New York City are generally authorized or required by law to close.

Section 1.4 Evidence of Indebtedness. For each Loan Request, the Company will make the payment specified in the provisions of this Agreement. Payments will be made on the Due Date (defined below) in freely transferable funds and in the manner customary for payments in US dollars ("**Cash**").

Section 1.5 Term. ABPS's obligation to fund Loans shall cease on the date ("the Termination Date") that is the earlier of (1) the date on which the agreement between ANI and the Company terminates or (2) the second anniversary of the Effective Date; however, if ABPS elects to fund Loans after the Termination Date, the terms and conditions of this Agreement shall continue to apply to all Loans funded by ABPS. As used herein, "**Due Date**" for a Loan means the date that is three Business Days following the earliest of (1) the date the License Applicant delivers to Escrow Holder the License Applicant's funds to replace the principal amount of the Loan for the required deposit to complete the license transfer to the License Applicant, (2) the date the License Applicant's license transfer escrow is terminated because ABC disapproved the License Applicant's transfer application, or (3) the date that is 240 days after the Loan Date for such Loan. The Company shall be obligated to pay ABPS the principal and accrued interest on each Loan on the Due Date for such Loan.

Section 1.6 Interest Rate. The interest rate shall be eleven percent (11%) per annum of the principal amount of the Loan. The principal balance of each Loan shall bear interest thereon from the Loan Date of the Loan, based on a year consisting of 365 days, with interest computed daily based on the actual number of days elapsed. Notwithstanding the foregoing, if for any reason (1) the agreement between ANI and the Company terminates or (2) Escrow Agreements have to be terminated as a consequence of an order or demand by ABC, California Department of Business Oversight or other governmental agency, then the interest rate on all Loans then outstanding shall be reduced to 5 percent per annum retroactive to the Loan Date for each Loan.

Section 1.7 Maximum Interest. Notwithstanding any provision in this Agreement, it is the parties' intent not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction shall finally determine that the Company has actually paid to ABPS an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan; second, after all principal is repaid, to the payment of ABPS's accrued interest, costs, expenses, professional fees; and third, the excess (if any) shall be refunded to the Company.

SECTION 2 - CONDITIONS PRECEDENT TO LOAN

Section 2.1 **Conditions.** The obligations of ABPS to make any Loan hereunder are subject to the satisfaction by ABPS of the following conditions:

(a) ABPS shall have received a Loan Request executed by the Company and an Escrow Agreement executed by ANI, attached as Exhibit B (together, the “**Loan Documents**”);

(b) An Escrow Account shall have been established pursuant to the Escrow Agreement;

(c) As of the date of the Loan Request, the representations and warranties contained herein shall be true and correct in all material respects to the same extent as though made on and as of that date;

(d) The Company shall be in compliance with all the terms and provisions set forth herein to be observed or performed, and at the time of and immediately after such Loan no Event of Default shall have occurred and be continuing; and

(e) Each Loan Request or any extension thereof shall be deemed to constitute a representation and warranty by the Company as to the matters specified in paragraphs (c) and (d) of this Section 2.1.

SECTION 3 - REPRESENTATIONS

Section 3.1 **Mutual Representations.** Each party makes the representations that:

(a) It is duly organized and validly existing under the laws of the jurisdiction or incorporation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement, the Loan Documents, and any other documentation that is required by this Agreement, to deliver and to perform its obligations under this Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documentation relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) The respective party's obligations under this Agreement and any other documentation related to this Agreement to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(f) No broker's or finder's fee or commission will be payable with respect to any Loan .

Section 3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) Neither this Agreement nor any other document, certificate or statement furnished or to be furnished to ABPS by or on behalf of the Company in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact known to the Company which materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to ABPS by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) It is not a party to any litigation or administrative proceeding, nor so far as is known by the Company is any litigation or administrative proceeding threatened against it which could, if adversely determined, cause any material adverse change in its property, financial condition or the conduct of its business.

(d) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

(e) It is not a party to any agreement, instrument or undertaking, or subject to any other restriction, (a) which materially adversely affects or may in the future so affect the property, financial condition or business operations of the Company, or (b) under or pursuant to which the Company is or will be required to place (or under which any other Person may place) a lien upon any of its properties securing indebtedness either upon demand or upon the happening of a condition, with or without such demand.

Section 3.3 ABPS Representations. ABPS makes the representations that:

(a) It is entering into this Agreement without any present intention of making a sale or other distribution of any of the Loans made pursuant to the Agreement, provided ABPS reserves the right to sell any or all of the Loans or participations therein subject to the express written consent of the Company, with such consent not to be unreasonably withheld.

(b) It meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(c) It has the requisite knowledge and experience to assess the relative merits and risks of the Loans .

(d) It is aware that this Agreement and the Loans hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws, and is subject to restrictions on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – AFFIRMATIVE COVENANTS

Section 4.1 Existence; Compliance with Laws; Businesses and Properties. The Company will do or cause to be done all things reasonably necessary to:

(a) preserve, renew and keep in full force and effect its legal existence under the laws of its jurisdiction of organization;

(b) do or cause to be done all things reasonably necessary to the conduct of its business; and

(c) comply in all material respects with applicable laws, rules, regulations and decrees and orders of any governmental authority, whether now in effect or hereafter enacted.

Section 4.2 Taxes. The Company shall pay and discharge when due all taxes imposed upon it or upon its income or profits or in respect of its property, before the same shall become overdue by more than 45 days; provided, however, that such payment and discharge shall not be required with respect to any such tax so long as the validity or amount thereof is being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves.

Section 4.3 Information Regarding Escrow Account. The Company shall furnish to ABPS notice of any change on or prior to the occurrence of any change in or closing of any Escrow Account.

SECTION 5 - NEGATIVE COVENANTS

Section 5.1 Conduct of Business. From and after the Effective Date, the Company shall not engage in any business other than (i) the businesses engaged in by the Company on the Effective

Date and similar or related businesses and (ii) such other lines of business as the parties may agree.

Section 5.2 Fundamental Changes. The Company may not consolidate or merge with or into or wind up into (whether or not the Company is the surviving entity), and may not sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Company, taken as a whole, in one or more related transactions, to any Person unless:

(a) the Company is the surviving Person formed by or surviving any such consolidation or merger (if other than the Company) or the entity to whom such sale, assignment, transfer, lease, conveyance or other disposition will have been made is organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Person, the “**Successor Company**”);

(b) the Successor Company, if other than the Company, expressly assumes all the obligations of the Company under this Agreement pursuant to documentation reasonably satisfactory to ABPS;

(c) immediately after such transaction, no Event of Default (as defined in Section 6) exists; and

(d) Guarantor shall have confirmed its guaranty under this Agreement reasonably satisfactory to ABPS;

provided, that the Company shall promptly notify ABPS of any such transaction and shall take all required actions prior to such transaction.

SECTION 6 – EVENTS OF DEFAULT

6.1 Defaults. The occurrence of any one or more of the following events shall constitute an “**Event of Default**”:

(a) The Company shall fail to pay any payment due on any Loan on the Due Date.

(b) The Company shall default in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement or any similar loan agreement in effect between the Company and ABPS.

(c) The Company shall default in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company’s ability to repay the Loan.

(d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to ABPS hereunder, shall prove to have been false in any material respect as of the time when made or given.

(e) Litigation or an administrative proceeding is instituted against the Company which could, if adversely determined, cause any material adverse change in the Company's financial condition or the conduct of its business.

(f) The Company or Guarantor shall: (i) become insolvent; or (ii) be unable, or admit in writing its inability to pay its debts as they mature; or (iii) make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property; or (iv) become the subject of an "order for relief" within the meaning of the United States Bankruptcy Code; or (v) become the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors; or (vi) apply to a court for the appointment of a custodian or receiver for any of its assets; or (vii) have a custodian or receiver appointed for any of its assets (with or without its consent); or (viii) otherwise become the subject of any insolvency proceedings or propose or enter into any formal or informal composition or arrangement with its creditors; or (ix) die.

(g) This Agreement, any of the Loan Documents, or the Guaranteed Obligations (as defined in Section 7) shall for any reason, cease to be in full force and effect or be declared null and void, or be revoked or terminated, or the validity or enforceability thereof or hereof shall be contested by the Company, any member of the Company or Guarantor, or the Company or Guarantor shall deny that it has any or further liability or obligation thereunder or hereunder, as the case may be.

Section 6.2 Notice of Default. Promptly upon the Company obtaining knowledge of any condition or event that constitutes an Event of Default or that notice has been given to the Company or Guarantor with respect thereto the Company shall provide written notice to ABPS specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such person and the nature of such claimed Event of Default and what action the Company has taken, is taking and proposes to take with respect thereto.

Section 6.3 Notice of Litigation. Promptly upon the Company obtaining knowledge of (i) any litigation not previously disclosed in writing by the Company to ABPS, or (ii) any development in any litigation involving the Company that if adversely determined could be reasonably expected to have a material adverse effect, or seeks to enjoin or otherwise prevent the consummation of or to recover any damages or obtain relief as a result of, the transactions contemplated hereby, written notice thereof together with such other information as may be reasonably available to the Company to enable ABPS and their counsel to evaluate such matters.

Section 6.4 Effect of an Event of Default. If any Event of Default shall occur, at ABPS's option, all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company. Furthermore, ABPS's obligations under this Agreement shall be terminated.

SECTION 7 - GUARANTY

Section 7.1 Limited Guaranty of the Obligations. Guarantor hereby irrevocably and unconditionally guaranties to ABPS for the benefit of ABPS the due and punctual payment in full of the principal balance of all Loans when the same shall become due (collectively, the "Guaranteed Obligations").

Section 7.2 Payment by Guarantor. Guarantor hereby agrees, in furtherance of the foregoing and not in limitation of any other right which ABPS may have at law or in equity against Guarantor by virtue hereof, that upon the failure of the Company to pay any of the Guaranteed Obligations when and as the same shall become due, whether at stated maturity, Guarantor will upon demand pay, or cause to be paid, in Cash, to ABPS, an amount equal to the sum of the Guaranteed Obligations then due.

Section 7.3 Liability of Guarantor Absolute. Guarantor agrees that Guarantor's obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, Guarantor agrees as follows:

(a) this Guaranty is a guaranty of payment when due and not of collectability. This Guaranty is a primary obligation of Guarantor and not merely a contract of surety;

(b) ABPS may enforce this Guaranty upon the occurrence of an Event of Default notwithstanding the existence of any dispute between the Company and ABPS with respect to the existence of such Event of Default;

(c) Guarantor's obligations hereunder are independent of the obligations of the Company and the obligations of any other guarantor of the obligations of the Company, and a separate action or actions may be brought and prosecuted against Guarantor whether or not any action is brought against the Company or any of such other guarantors and whether or not the Company is joined in any such action or actions;

(d) payment by Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge Guarantor's liability for any portion of the Guaranteed Obligations which has not been paid. Without limiting the generality of the foregoing, if ABPS is awarded a judgment in any suit brought to enforce Guarantor's covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release Guarantor from its covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit;

(e) ABPS, upon such terms as it deems appropriate, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of Guarantor's liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations; (ii) settle, compromise, release or

discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations; (iii) request and accept other guaranties of the Guaranteed Obligations and take and hold security for the payment hereof or the Guaranteed Obligations; (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person with respect to the Guaranteed Obligations; (v) enforce and apply any security now or hereafter held by or for the benefit of ABPS in respect hereof or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that ABPS may have against any such security, in each case as ABPS in its discretion may determine consistent herewith or any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of Guarantor against any other Credit Party or any security for the Guaranteed Obligations; and (vi) exercise any other rights available to it under the Loan Documents; and

(f) This Guaranty and the obligations of Guarantor hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment in full of the Guaranteed Obligations), including the occurrence of any of the following, whether or not Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce an agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including provisions relating to Events of Default) hereof, or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guaranteed Obligations; (iii) the Guaranteed Obligations, the Loan Documents or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect; (iv) the application of payments received from any source to the payment of indebtedness other than the Guaranteed Obligations, even though ABPS might have elected to apply such payment to any part or all of the Guaranteed Obligations; (v) ABPS's consent to the change, reorganization or termination of the corporate structure or existence of the Company or any of its guarantors and to any corresponding restructuring of the Guaranteed Obligations; (vi) any defenses, set-offs or counterclaims which the Company may allege or assert against ABPS in respect of the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury; and (vii) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of Guarantor as an obligor in respect of the Guaranteed Obligations.

Section 7.4 Waivers by Guarantor. Guarantor hereby waives, for the benefit of ABPS:

(a) any right to require ABPS, as a condition of payment or performance by Guarantor, to (i) proceed against the Company, any other guarantor of the Guaranteed Obligations or any other Person or (ii) pursue any other remedy in the power of ABPS whatsoever;

(b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Company or any other guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of the Company or any other guarantor from any cause other than payment in full of the Guaranteed Obligations;

(c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

(d) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments and counterclaims, and (iv) promptness, diligence and any requirement that ABPS protect, secure, perfect or insure any security interest or lien or any property subject thereto;

(e) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder, or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to the Company and any right to consent to any thereof;

(f) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof;

(g) Any right to require ABPS to (i) proceed against Company or any other person; (ii) proceed against or exhaust any security or (iii) pursue any other remedy. ABPS may exercise or not exercise any right or remedy it has against Company or any security it holds (including the right to foreclose by judicial or nonjudicial sale) without affecting Guarantor's liability hereunder;

(h) any defenses from disability or other defense of Company or from the cessation of Company's liabilities;

(i) any setoff, defense or counterclaim against ABPS;

(j) any defense from the absence, impairment or loss of any right of reimbursement or subrogation or any other rights against Company. Until Company's obligations to ABPS have

been paid, Guarantor has no right of subrogation or reimbursement or other rights against Company;

(k) any right to enforce any remedy that ABPS has against Company;

(l) any rights to participate in any security held by ABPS;

(m) any demands for performance, notices of nonperformance or of new or additional indebtedness incurred by Company to ABPS. Guarantor is responsible for being and keeping itself informed of Company's financial condition;

(n) the benefit of any act or omission by ABPS which directly or indirectly results in or aids the discharge of Company from any of the Obligations by operation of law or otherwise; and

(o) the benefit of California Civil Code Section 2815 permitting the revocation of this Guaranty as to future transactions and the benefit of California Civil Code Sections 2809, 2810, 2819, 2839, 2845, 2848, 2849, 2850, 2899 and 1432 with respect to certain suretyship defenses.

Section 7.5 Continuing Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations shall have been paid in full. Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations.

Section 7.6 Authority of Guarantor or the Company. It is not necessary for ABPS to inquire into the capacity or powers of Guarantor or the Company or the officers, directors or any agents acting or purporting to act on behalf of any of them.

Section 7.7 Financial Condition of the Company. Any Loan may be made to the Company or continued from time to time, without notice to or authorization from Guarantor regardless of the financial or other condition of the Company at the time of any such grant or continuation. ABPS shall not have any obligation to disclose or discuss with Guarantor its assessment, or Guarantor's assessment, of the financial condition of the Company. Guarantor has adequate means to obtain information from the Company on a continuing basis concerning the financial condition of the Company and its ability to perform its obligations under this Agreement, and Guarantor assumes the responsibility for being and keeping informed of the financial condition of the Company and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. Guarantor hereby waives and relinquishes any duty on the part of ABPS to disclose any matter, fact or thing relating to the business, operations or conditions of the Company now known or hereafter known by ABPS .

ARTICLE 8 – EXPENSES AND REIMBURSEMENTS

Section 8.1 Reimbursement. Following an Event of Default, the Company shall pay or reimburse ABPS for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by ABPS before and after

judgment in enforcing, protecting or preserving its rights under this Agreement, the Loan, and other document required hereunder or thereunder.

Section 8.2 Indemnification. The Company agrees to indemnify ABPS against any and all losses, claims, damages, liabilities and expenses, (including, without limitation, reasonable attorneys' fees and expenses) incurred by ABPS arising out of, in any way connected with, or as a result of any claim, litigation, investigation or proceedings related to any of the Loans or other obligations of the Company, whether or not ABPS is a party thereto; provided, however, that such indemnity shall not apply to any such losses, claims, damages, liabilities or related expenses arising from (a) any unexcused breach by ABPS of its obligations under this Agreement, or (b) any commitment made by ABPS to a Person other than the Company which would be breached by the performance of ABPS's obligations under this Agreement.

Section 8.3 Survival. The foregoing agreements and indemnities of this Section 8 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of any Loan made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 9 - MISCELLANEOUS

Section 9.1 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail, or overnight courier:

If to ABPS by mail:

ABPS LLC
Post Office Box 8722
La Jolla, California 92037

If to ABPS by other than mail:

ABPS LLC
6848 Country Club Drive
La Jolla, California 92037
Email: cyrusmoj@gmail.com
haidamojdehi@gmail.com

If to the Company and Guarantor:

Kim H. Peterson
P.O. Box 67637
Rancho Santa Fe, CA 92067
Email: kimharoldpeterson@gmail.com

With a Copy to:

F. Sigmund Luther
401 West A Street, Suite 1625
San Diego, California 92101
Email: sig.luther@gmail.com

Section 9.2 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

Section 9.3 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

Section 9.4 Choice of Law. This Agreement shall be governed by the laws of the State of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

Section 9.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any Person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other Person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

Section 9.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to ABPS under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to ABPS and nothing shall constitute a waiver by ABPS of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

Section 9.7 Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached.

Section 9.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties. All amendments, changes, revisions and discharges of this Agreement, in whole or in part, and from time to time shall be binding upon the parties despite any lack of legal consideration, so long as the same shall be in writing and executed by the parties hereto.

Section 9.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, nor is either party granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.

Section 9.10 Further Acts. Each party hereby agrees that it shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement, without cost, including the execution and delivery of such documents, and the doing of such acts or things as may be required to satisfy the requirements of the Escrow Agreement and for ABPS to fully and adequately perform its investigations of the Escrow Account.

Section 9.11 Confidentiality. ABPS acknowledges that certain information provided to ABPS by each Credit Party is confidential and proprietary information of the Credit Party, if and to the extent such information either (x) is marked as confidential by at the time of disclosure, or (y) should reasonably be understood to be confidential (the "Confidential Information"). Accordingly, ABPS agrees that any Confidential Information it may obtain in the course of evaluating a Credit Party shall not be disclosed to any other Person in any manner whatsoever, in whole or in part, without the prior written consent of such Credit Party, except that ABPS may disclose any such information: (a) to its own general partner, officers, employees, accountants, counsel and other professional advisors and to its affiliates if ABPS in its sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with the Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information; (b) if such information is generally available to the public; (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over ABPS; (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by ABPS's counsel; (e) to comply with any legal requirement or law applicable to ABPS; (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement; (g) to any participant or assignee of ABPS or any prospective participant or assignee; provided, that such participant or assignee or prospective

participant or assignee agrees to be bound by this Section 9.11 prior to disclosure; or (h) otherwise with the prior consent of such Credit Party; provided, that any disclosure made in violation of this Agreement shall not affect the obligations of any Credit Party or any of its Affiliates under this Agreement. As used in this Agreement, "Affiliate" means (1) ANI or (2) any person or entity (each a "Person") the Company controls, is controlled by, or under common control with.

Section 9.12 Assignment. ABPS may sell or assign any part of any Loan[s] or any of its interest under this Agreement, and any other documents relating to this Agreement to any Person without the express written consent of the Company; however, any such assignment shall not be effective until ABPS shall have delivered to the Company written notice of the assignment. After the effective date of any such assignment, such assignee shall be vested with all rights, powers and remedies of ABPS hereunder with respect to the interest so assigned; but with respect to any such interest not so transferred, ABPS shall retain all rights, powers and remedies hereby given. No such assignment by ABPS shall relieve any Credit Party of any of its obligations hereunder.

Section 9.13 No Third Party Beneficiaries. No provisions of this Agreement or any other documents relating thereto are intended, nor will be interpreted, to provide or create any third-party beneficiary rights or any other rights of any kind in any Person other than ABPS and any Credit Party unless specifically provided otherwise herein, and, except as otherwise so provided, all provisions will be personal and solely between the ABPS and the Company.

[THE REST OF THE PAGE IS INTENTIONALLY BLANK]

Signature Page to Loan and Guaranty Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers and representatives as of the day and year first written above

KIM FUNDING, LLC, as the Company

By _____

Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor

Kim H. Peterson

ABPS LLC,
a California limited liability company

By _____

Print name _____

Title _____

Signature Page to Loan and Guaranty Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers and representatives as of the day and year first written above.

KIM FUNDING, LLC, as the Company

By Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor

Kim H. Peterson

ABPS LLC,
a California limited liability company

By [Signature]
Print name Cyris Mordeli
Title member

Exhibit A

LOAN REQUEST

Date: _____

To: ABPS LLC, a California limited liability company
Post Office Box 8722
6848 Country Club Drive
La Jolla, California 92037
Email cyrusmoj@gmail.com
amojdehi@colley.com

Kim Funding, LLC ("Borrower"), hereby requests from ABPS LLC, a California limited liability company ("ABPS") a Loan in the amount of \$_____ on _____, 20__ (the "Loan Date") pursuant to the Loan and Guaranty Agreement between Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please: Wire Funds to the Escrow Account

Escrow Agent: Chicago Title Company
Bank Name: Union Bank
Bank Address: 1980 Saturn Street, Monterey Park, California 91756
International Swift Code: BOFCUS33MPK
ABA Number: 122000496
Account Number: 0010425492
Account Name: Chicago Title Company
Reference: Escrow/Title Order No. 32743-DD (for escrows opened in 2015)
Escrow Office Name: Della Ducharme Unit

Borrower represents that the conditions precedent to the Loan set forth in the Agreement are satisfied and shall be satisfied upon the making of such Loan, including but not limited to: (i) that no event that has had or could reasonably be expected to have a material adverse effect has occurred and is continuing; (ii) that the representations and warranties set forth in the Agreement are and shall be true and correct in all material respects on and as of the Loan Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date; (iii) that Borrower is in compliance with all the

terms and provisions set forth in each Loan Document on its part to be observed or performed; and (iv) that as of the Loan Date, no fact or condition exists that would (or would, with the passage of time, the giving of notice, or both) constitute an Event of Default under the Loan Documents. Borrower understands and acknowledges that ABPS has the right to review the financial information supporting this representation and ABPS may decline to fund the requested Loan if following such review ABPS reasonably concludes such representation is not accurate in any material respect.

Borrower hereby represents that Borrower's corporate status and locations have not changed since the date of the Agreement.

Borrower agrees to notify ABPS promptly before the funding of the Loan if any of the matters which have been represented above were not true and correct on the Loan Date, and if ABPS has received no such notice before the Loan Date, then the statements set forth above shall be deemed to have been made and shall be deemed to be true and correct as of the Loan Date.

Executed as of _____, 20__

KIM FUNDING, LLC

By _____
Kim H. Peterson, Manager

Exhibit B

Escrow No. _____

Chicago Title
Company
701 B Street, Suite 760,
San Diego, CA 92101

Date: _____

ESCROW AGREEMENT
(Holding Funds)

This Escrow Agreement ("Agreement") is made and entered into as of the above date by and between ANI Development, LLC, a California limited liability company ("Lender"), and Chicago Title Company, a California corporation ("Escrow Holder").

R E C I T A L S

Lender desires to deposit certain funds and direct others to deposit certain funds (the "Deposit") into this Escrow and to provide Escrow Holder with written instructions setting forth the conditions under which Escrow Holder will invest and hold the funds and ultimately disburse them.

Lender and Escrow Holder understand that this is a limited escrow only and is being opened for the benefit of _____ ("Applicant"), who is applying for a License to be issued by the California Alcoholic and Beverage Control ("ABC") under Business and Professions Code sections 24070-24082, pursuant to the transfer of License _____ (\$_____) to the Applicant.

NOW, THEREFORE, the parties agree as follows:

A G R E E M E N T S

Deposit. Upon the opening of this Escrow, Lender deposited a total sum of \$_____ with Escrow Holder for the refundable deposit of ABC License _____. Escrow Holder will do the following:

Invest Funds. Place the Deposit into an interest bearing account with all interest accruing to the account of Lender. Concurrently herewith, Lender will provide Escrow Holder with the required IRS Form W-9 and Investment Instructions required to establish such account.

226 Form. Escrow Holder to send to ABC Form 226 upon receipt of Deposit.

Release of the Initial Deposit. At any time, Lender may provide written instructions to Escrow Holder to release all or a portion of the Deposit and the interest thereon to various Chicago Title

escrows or back to Lender or otherwise. During the term of the Escrow, Escrow Holder will disburse the Deposit only upon the written instructions of the Lender. Upon receipt of such instructions, Escrow Holder's only duty is to comply with said instructions and to disburse the Deposit as requested by Lender.

Escrow Holder's Requirement to Terminate Escrow. Escrow Holder shall terminate this Escrow upon the Instructions of Lender or 240 days after the Escrow has been opened, unless requested to do otherwise by the Lender. At the time that the Escrow is terminated, all remaining funds shall be disbursed to Lender, less Escrow Holder's unpaid fees.

Escrow Holder's Fee. The base Escrow Fee is \$500.00 and is to be paid to Escrow Holder when the deposit is received, and additional Escrow Fee of \$500.00 per disbursement is to be paid to Escrow Holder when each disbursement is made.

Escrow Holder's General Provisions. By signature hereon, Lender approves Escrow Holder's General provisions, a copy of which is attached to this Agreement as **Exhibit "A"** and are incorporated by reference as if fully set forth in this Section.

Escrow Holder's Memorandum. Notwithstanding any provisions heretofore set forth, by signature hereon, Lender informs Escrow Holder that Kim H. Peterson (D/O/B 8/27/48), who resides at 271 Oceans View Avenue, Del Mar, CA, or one of his Family Trusts or Entities ("Peterson") has provided to Lender all of the funds which were initially placed in Escrow. Upon the death or incapacitation of Gina Champion-Cain, Managing Member of Lender, Escrow Holder is directed by Lender to return the entire Deposit to Peterson, unless otherwise instructed by Peterson.

IN WITNESS WHEREOF, this Escrow Agreement has been executed by the parties effective as of the date indicated above.

LENDER

ANI Development, LLC,
a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

By _____
Gina Champion-Cain

ESCROW HOLDER

Chicago Title Company,
a California corporation

By _____
Wendy Reynolds

EXHIBIT 3

SECOND AMENDMENT TO LOAN AND GUARANTY AGREEMENT

This Second Amendment, dated June 24, 2019, is executed by Kim Funding, LLC, a California limited liability company ("Company"), Kim H. Peterson ("Guarantor") and Millennium Trust Company, LLC, Custodian FBO Ali M. Mojdehi IRA ("Lender").

- A. On August 29, 2018, Company, Guarantor and Lender executed that certain Loan And Guaranty Agreement ("Original Agreement") by which Lender agreed to make available to the Company \$250,000 for the purposes described in the Original Agreement.
- B. On April 1, 2019, the parties entered into the First Amendment to the Original Agreement, wherein Lender increased the loan by \$75,000, to \$325,000.

Based upon the above recitals and mutual agreements state below, the parties agree:

1. Section 1.1 of the Original Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, Lender will make a loan ("Loan") to the Company in the amount of \$475,000, of which \$325,000 was previously funded.

2. Except as amended hereby, the terms of the Original Agreement are hereby ratified and confirmed.

KIM FUNDING, LLC, as the Company

By

Kim H. Peterson, Manager

KIM H. PETERSON, a person as Guarantor

By

Kim H. Peterson

MILLENNIUM TRUST COMPANY, LLC

Custodian FBO Ali M. Mojdehi IRA

as the Lender

By

Ali M. Mojdehi

ALI
LRN

FIRST AMENDMENT TO LOAN AND GUARANTY AGREEMENT

This First Amendment, dated April 1, 2019, is executed by Kim Funding, LLC, a California limited liability company ("Company"), Kim H. Peterson ("Guarantor") and Millennium Trust Company, LLC, Custodian FBO Ali M. Mojdehi IRA ("Lender").

- A. On August 29, 2018, Company, Guarantor, and Lender executed that certain Loan And Guaranty Agreement ("Original Agreement") by which Lender agreed to make available to the Company \$250,000 for the purposes described in the Original Agreement.
- B. By this Amendment, the parties desire to amend the terms of the Original Agreement, as provided below.

Based upon the above recitals and mutual agreements stated below, the parties agree:

1. Section 1.1 of the Original Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1. Loan Advance. Subject to the terms and conditions of this Agreement, Lender will Make a Loan ("Loan") to the Company in the amount of \$325,000. \$250,000 was previously funded under the Original Agreement and Lender is adding \$75,000, effective April 1, 2019.

2. Except as amended hereby, the terms of the Original Agreement are hereby ratified and confirmed.

KIM FUNDING, LLC, as the Company

By


Kim H. Peterson, Manager

KIM H. PETERSON, a person as Guarantor

By


Kim H. Peterson

MILLENNIUM TRUST COMPANY, LLC
Custodian FBO Ali M. Mojdehi IRA
as the Lender

By


Ali M. Mojdehi

LOAN AND GUARANTY AGREEMENT

THIS LOAN AND GUARANTY AGREEMENT is made and dated as of August 29, 2018 (the "Effective Date"), and is entered into by and among Kim Funding, LLC., a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and Millennium Trust Company, LLC, Custodian FBO Ali M. Mojdehi IRA ("Lender").

RECITALS

Whereas, the Company seeks financing in the principal amount of Two Hundred Thousand (\$250,000.00), the proceeds of which to be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcohol Beverage Control as required by state regulations (each an "Escrow Account");

Whereas the Company is affiliated with ANI Development, LLC, a California limited liability company ("ANI"), and ANI will establish with Chicago Title ("Escrow Holder") an Escrow Account pursuant to an agreement (the "Escrow Agreement") to accept the proceeds of each Loan (defined below);

Whereas Guarantor has agreed to furnish a continuing guarantee of certain obligations of the Company (Guarantor and the Company each a "Credit Party"); and

Whereas Lender is willing to advance the Loans to the Company on the terms and conditions set forth in this Agreement;

Therefore in consideration of the mutual covenants contained herein, Lender hereby agrees to provide financing in the principal amount described below to the Company, on the terms and conditions set forth below.

SECTION 1 - GENERAL TERMS

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, Lender will make a loan (the "Loan") to the Company in the amount of \$250,000.00.

Section 1.2 Use of Proceeds. The Company represents, warrants and agrees that the proceeds of each Loan will be used solely for the following purpose: contemporaneously with the Loan, the proceeds of which shall be used to fund the Escrow Accounts of persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by ABC.

Section 1.3 Loan Request. To request the Loan, the Company shall complete, sign and deliver to Lender a written request in the form attached as Exhibit A (the "Loan Request"). Not later than 1:00 PM (California time) on the tenth business day following Lender's receipt of the Loan Request (or such later date specified in the Loan Request), Lender shall wire the funds in the amount and manner requested by the Loan Request provided that each of the conditions precedent to the Loan is satisfied as of the requested date of the Loan (the "Loan Date"). As

used in this Agreement, "Business Day" shall mean any day other than a Saturday, Sunday or day on which banks in New York City are generally authorized or required by law to close.

Section 1.4 Evidence of Indebtedness. The Company will make the payment specified in the provisions of this Agreement. Payments will be made on the Due Date (defined below) in freely transferable funds and in the manner customary for payments in US dollars ("Cash").

Section 1.5 Term and Payment. As used herein, "Interest Payment Date" means the tenth Business Day after January 1, April 1, July 1, and October 1 of each year this Agreement remains in effect. Commencing on the first Interest Payment Date following the date of this Agreement and continuing on each Interest Payment Date thereafter, the Company shall pay to Lender interest accrued during the preceding three calendar months. As used in this Agreement, "Business Day" shall mean any day other than a Saturday, Sunday or day on which banks in New York City are generally authorized or required by law to close. As used herein, "Due Date" means the date that is the earlier of (1) three Business Days following the date on which the agreement between ANI and the Company terminates or (2) the second anniversary of the Effective Date. The Company shall be obligated to pay Lender the principal and unpaid accrued interest on the Loan on the Due Date. The Company reserves the right to prepay the Loan in full or in part. If on the Due Date the proceeds of the Loan are held in escrow pursuant to an Escrow Agreement, Lender and the Company shall cooperate with each other to cause (i) the Loan proceeds held in escrow to be disbursed by Escrow Holder to pay the Loan or (2) subject to the Company's payment to Lender of the full amount of the Loan and interests thereon, the right to disbursement of the Loan proceeds held in escrow to be assigned to the Company or the Company's designee.

Section 1.6 Interest Rate. Except as provided below, the interest rate on the unpaid principal amount of the Loan shall be 10 percent per annum. Interest shall commence to accrue on the date Lender delivers to the Company the proceeds of the Loan. Interest shall be computed based on a year consisting of 365 days and on the actual number of days elapsed. Notwithstanding the foregoing, if (i) for any reason, the Agreement between ANI and the Company terminates or (2) all or substantially all of the then pending Escrow Accounts are terminated as a consequence of or in response to a regulation, order, or enforcement action by ABC or Department of Business Oversight, then the interest rate on the Loan shall be the lesser of (i) 10 percent per annum or (ii) the actual amount of points and interest paid by the License Applicants with respect to the Escrow Accounts funded with the proceeds of the Loan.

Section 1.7 Maximum Interest. Notwithstanding any provision in this Agreement, it is the parties' intent not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction shall finally determine that the Company has actually paid to Lender an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan; second, after all principal is repaid, to the payment of Lender's accrued interest, costs, expenses, professional fees; and third, the excess (if any) shall be refunded to the Company.

SECTION 2 - CONDITIONS PRECEDENT TO LOAN

Section 2.1 Conditions. The obligations of Lender to make any Loan hereunder are subject to the satisfaction by Lender of the following conditions:

(a) Lender shall have received a Loan Request executed by the Company and an Escrow Agreement executed by ANI, attached as Exhibit B (together, the "Loan Documents");

(b) An Escrow Account shall have been established pursuant to the Escrow Agreement;

(c) As of the date of the Loan Request, the representations and warranties contained herein shall be true and correct in all material respects to the same extent as though made on and as of that date;

(d) The Company shall be in compliance with all the terms and provisions set forth herein to be observed or performed, and at the time of and immediately after such Loan no Event of Default shall have occurred and be continuing; and

(e) Each Loan Request or any extension thereof shall be deemed to constitute a representation and warranty by the Company as to the matters specified in paragraphs (c) and (d) of this Section 2.1.

SECTION 3 - REPRESENTATIONS

Section 3.1 Mutual Representations. Each party makes the representations that:

(a) It is duly organized and validly existing under the laws of the jurisdiction or incorporation and, if relevant under such law, in good standing;

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement, the Loan Documents, and any other documentation that is required by this Agreement, to deliver and to perform its obligations under this Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documentation relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) The respective party's obligations under this Agreement and any other documentation related to this Agreement to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(f) No broker's or finder's fee or commission will be payable with respect to any Loan.

Section 3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) Neither this Agreement nor any other document, certificate or statement furnished or to be furnished to Lender by or on behalf of the Company in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact known to the Company which materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to Lender by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) It is not a party to any litigation or administrative proceeding, nor so far as is known by the Company is any litigation or administrative proceeding threatened against it which could, if adversely determined, cause any material adverse change in its property, financial condition or the conduct of its business.

(d) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

(e) It is not a party to any agreement, instrument or undertaking, or subject to any other restriction, (a) which materially adversely affects or may in the future so affect the property, financial condition or business operations of the Company, or (b) under or pursuant to which the Company is or will be required to place (or under which any other Person may place) a lien upon any of its properties securing indebtedness either upon demand or upon the happening of a condition, with or without such demand.

Section 3.3 Lender Representations. Lender makes the representations that:

(a) It is entering into this Agreement without any present intention of making a sale or other distribution of any of the Loans made pursuant to the Agreement, provided Lender reserves the right to sell any or all of the Loans or participations therein subject to the express written consent of the Company, with such consent not to be unreasonably withheld.

(b) It meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(c) It has the requisite knowledge and experience to assess the relative merits and risks of the Loans.

(d) It is aware that this Agreement and the Loans hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws, and is subject to restrictions on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 - AFFIRMATIVE COVENANTS

Section 4.1 Existence; Compliance with Laws; Businesses and Properties. The Company will do or cause to be done all things reasonably necessary to:

(a) preserve, renew and keep in full force and effect its legal existence under the laws of its jurisdiction of organization;

(b) do or cause to be done all things reasonably necessary to the conduct of its business; and

(c) comply in all material respects with applicable laws, rules, regulations and decrees and orders of any governmental authority, whether now in effect or hereafter enacted.

Section 4.2 Taxes. The Company shall pay and discharge when due all taxes imposed upon it or upon its income or profits or in respect of its property, before the same shall become overdue by more than 45 days; provided, however, that such payment and discharge shall not be required with respect to any such tax so long as the validity or amount thereof is being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves.

Section 4.3 Information Regarding Escrow Account. The Company shall furnish to Lender notice of any change on or prior to the occurrence of any change in or closing of any Escrow Account.

SECTION 5 - NEGATIVE COVENANTS

Section 5.1 Conduct of Business. From and after the Effective Date, the Company shall not engage in any business other than (i) the businesses engaged in by the Company on the Effective

Date and similar or related businesses and (ii) such other lines of business as the parties may agree.

Section 5.2 Fundamental Changes. The Company may not consolidate or merge with or into or wind up into (whether or not the Company is the surviving entity), and may not sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Company, taken as a whole, in one or more related transactions, to any Person unless:

(a) the Company is the surviving Person formed by or surviving any such consolidation or merger (if other than the Company) or the entity to whom such sale, assignment, transfer, lease, conveyance or other disposition will have been made is organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Person, the "Successor Company");

(b) the Successor Company, if other than the Company, expressly assumes all the obligations of the Company under this Agreement pursuant to documentation reasonably satisfactory to Lender;

(c) immediately after such transaction, no Event of Default (as defined in Section 6) exists; and

(d) Guarantor shall have confirmed its guaranty under this Agreement reasonably satisfactory to Lender;

provided, that the Company shall promptly notify Lender of any such transaction and shall take all required actions prior to such transaction.

SECTION 6 - EVENT OF DEFAULT

6.1 Defaults. The occurrence of any one or more of the following events shall constitute an "Event of Default":

(a) The Company shall fail to pay any payment due on any Loan on the Due Date.

(b) The Company shall default in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement or any similar loan agreement in effect between the Company and Lender.

(c) The Company shall default in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan.

(d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to Lender hereunder, shall prove to have been false in any material respect as of the time when made or given.

(e) Litigation or an administrative proceeding is instituted against the Company which could, if adversely determined, cause any material adverse change in the Company's financial condition or the conduct of its business.

(f) The Company or Guarantor shall: (i) become insolvent; or (ii) be unable, or admit in writing its inability to pay its debts as they mature; or (iii) make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property; or (iv) become the subject of an "order for relief" within the meaning of the United States Bankruptcy Code; or (v) become the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors; or (vi) apply to a court for the appointment of a custodian or receiver for any of its assets; or (vii) have a custodian or receiver appointed for any of its assets (with or without its consent); or (viii) otherwise become the subject of any insolvency proceedings or propose or enter into any formal or informal composition or arrangement with its creditors; or (ix) die.

(g) This Agreement, any of the Loan Documents, or the Guaranteed Obligations (as defined in Section 7) shall for any reason, cease to be in full force and effect or be declared null and void, or be revoked or terminated, or the validity or enforceability thereof or hereof shall be contested by the Company, any member of the Company or Guarantor, or the Company or Guarantor shall deny that it has any or further liability or obligation thereunder or hereunder, as the case may be.

Section 6.2 Notice of Default. Promptly upon the Company obtaining knowledge of any condition or event that constitutes an Event of Default or that notice has been given to the Company or Guarantor with respect thereto, the Company shall provide written notice to Lender specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such person and the nature of such claimed Event of Default and what action the Company has taken, is taking and proposes to take with respect thereto.

Section 6.3 Notice of Litigation. Promptly upon the Company obtaining knowledge of (i) any litigation not previously disclosed in writing by the Company to Lender, or (ii) any development in any litigation involving the Company that if adversely determined could be reasonably expected to have a material adverse effect, or seeks to enjoin or otherwise prevent the consummation of or to recover any damages or obtain relief as a result of, the transactions contemplated hereby, written notice thereof together with such other information as may be reasonably available to the Company to enable Lender and their counsel to evaluate such matters.

Section 6.4 Effect of an Event of Default. If any Event of Default shall occur, at Lender's option, all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company. Furthermore, Lender's obligations under this Agreement shall be terminated.

SECTION 7 - GUARANTY

Section 7.1 Limited Guaranty of the Obligations. Guarantor hereby irrevocably and unconditionally guaranties to Lender for the benefit of Lender the due and punctual payment in full of the principal balance of all Loans when the same shall become due (collectively, the "Guaranteed Obligations").

Section 7.2 Payment by Guarantor. Guarantor hereby agrees, in furtherance of the foregoing and not in limitation of any other right which Lender may have at law or in equity against Guarantor by virtue hereof, that upon the failure of the Company to pay any of the Guaranteed Obligations when and as the same shall become due, whether at stated maturity, Guarantor will upon demand pay, or cause to be paid, in Cash, to Lender, an amount equal to the sum of the Guaranteed Obligations then due.

Section 7.3 Liability of Guarantor Absolute. Guarantor agrees that Guarantor's obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, Guarantor agrees as follows:

(a) this Guaranty is a guaranty of payment when due and not of collectability. This Guaranty is a primary obligation of Guarantor and not merely a contract of surety;

(b) Lender may enforce this Guaranty upon the occurrence of an Event of Default notwithstanding the existence of any dispute between the Company and Lender with respect to the existence of such Event of Default;

(c) Guarantor's obligations hereunder are independent of the obligations of the Company and the obligations of any other guarantor of the obligations of the Company, and a separate action or actions may be brought and prosecuted against Guarantor whether or not any action is brought against the Company or any of such other guarantors and whether or not the Company is joined in any such action or actions;

(d) payment by Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge Guarantor's liability for any portion of the Guaranteed Obligations which has not been paid. Without limiting the generality of the foregoing, if Lender is awarded a judgment in any suit brought to enforce Guarantor's covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release Guarantor from its covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit;

(e) Lender, upon such terms as it deems appropriate, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of Guarantor's liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations; (ii) settle, compromise, release or

discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations; (iii) request and accept other guaranties of the Guaranteed Obligations and take and hold security for the payment hereof or the Guaranteed Obligations; (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person with respect to the Guaranteed Obligations; (v) enforce and apply any security now or hereafter held by or for the benefit of Lender in respect hereof or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that Lender may have against any such security, in each case as Lender in its discretion may determine consistent herewith or any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of Guarantor against any other Credit Party or any security for the Guaranteed Obligations; and (vi) exercise any other rights available to it under the Loan Documents; and

(f) This Guaranty and the obligations of Guarantor hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment in full of the Guaranteed Obligations), including the occurrence of any of the following, whether or not Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce an agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of any claim or demand or any right, power or remedy with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including provisions relating to Events of Default) hereof, or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guaranteed Obligations; (iii) the Guaranteed Obligations, the Loan Documents or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect; (iv) the application of payments received from any source to the payment of indebtedness other than the Guaranteed Obligations, even though Lender might have elected to apply such payment to any part or all of the Guaranteed Obligations; (v) Lender's consent to the change, reorganization or termination of the corporate structure or existence of the Company or any of its guarantors and to any corresponding restructuring of the Guaranteed Obligations; (vi) any defenses, set-offs or counterclaims which the Company may allege or assert against Lender in respect of the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury; and (vii) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of Guarantor as an obligor in respect of the Guaranteed Obligations.

Section 7.4 Waivers by Guarantor. Guarantor hereby waives, for the benefit of Lender:

(a) any right to require Lender, as a condition of payment or performance by Guarantor, to (i) proceed against the Company, any other guarantor of the Guaranteed Obligations or any other Person or (ii) pursue any other remedy in the power of Lender whatsoever;

(b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Company or any other guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of the Company or any other guarantor from any cause other than payment in full of the Guaranteed Obligations;

(c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

(d) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments and counterclaims, and (iv) promptness, diligence and any requirement that Lender protect, secure, perfect or insure any security interest or lien or any property subject thereto;

(e) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder, or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to the Company and any right to consent to any thereof;

(f) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof;

(g) Any right to require Lender to (i) proceed against Company or any other person; (ii) proceed against or exhaust any security or (iii) pursue any other remedy. Lender may exercise or not exercise any right or remedy it has against Company or any security it holds (including the right to foreclose by judicial or nonjudicial sale) without affecting Guarantor's liability hereunder;

(h) any defenses from disability or other defense of Company or from the cessation of Company's liabilities;

(i) any setoff, defense or counterclaim against Lender;

(j) any defense from the absence, impairment or loss of any right of reimbursement or subrogation or any other rights against Company. Until Company's obligations to Lender

have been paid, Guarantor has no right of subrogation or reimbursement or other rights against Company;

- (k) any right to enforce any remedy that Lender has against Company;
- (l) any rights to participate in any security held by Lender;
- (m) any demands for performance, notices of nonperformance or of new or additional indebtedness incurred by Company to Lender. Guarantor is responsible for being and keeping itself informed of Company's financial condition;
- (n) the benefit of any act or omission by Lender which directly or indirectly results in or aids the discharge of Company from any of the Obligations by operation of law or otherwise; and
- (o) the benefit of California Civil Code Section 2815 permitting the revocation of this Guaranty as to future transactions and the benefit of California Civil Code Sections 2809, 2810, 2819, 2839, 2845, 2848, 2849, 2850, 2899, and 4432 with respect to certain suretyship defenses.

Section 7.5 Continuing Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations shall have been paid in full. Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations.

Section 7.6 Authority of Guarantor or the Company. It is not necessary for Lender to inquire into the capacity or powers of Guarantor or the Company or the officers, directors or any agents acting or purporting to act on behalf of any of them.

Section 7.7 Financial Condition of the Company. Any loan may be made to the Company or continued from time to time, without notice to or authorization from Guarantor regardless of the financial or other condition of the Company at the time of any such grant or continuation. Lender shall not have any obligation to disclose or discuss with Guarantor its assessment, or Guarantor's assessment, of the financial condition of the Company. Guarantor has adequate means to obtain information from the Company on a continuing basis concerning the financial condition of the Company and its ability to perform its obligations under this Agreement, and Guarantor assumes the responsibility for being and keeping informed of the financial condition of the Company and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. Guarantor hereby waives and relinquishes any duty on the part of Lender to disclose any matter, fact or thing relating to the business, operations or conditions of the Company now known or hereafter known by Lender.

ARTICLE 8 - EXPENSES AND REIMBURSEMENTS

Section 8.1 Reimbursement. Following an Event of Default, the Company shall pay or reimburse Lender for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by Lender before and after

judgment in enforcing, protecting or preserving its rights under this Agreement, the Loan, and other document required hereunder or thereunder.

Section 8.2 Indemnification. The Company agrees to indemnify Lender against any and all losses, claims, damages, liabilities and expenses, (including, without limitation, reasonable attorneys' fees and expenses) incurred by Lender arising out of, in any way connected with, or as a result of any claim, litigation, investigation or proceedings related to any of the Loans or other obligations of the Company, whether or not Lender is a party thereto; provided, however, that such indemnity shall not apply to any such losses, claims, damages, liabilities or related expenses arising from (a) any unexcused breach by Lender of its obligations under this Agreement, or (b) any commitment made by Lender to a Person other than the Company which would be breached by the performance of Lender's obligations under this Agreement.

Section 8.3 Survival. The foregoing agreements and indemnities of this Section 8 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of any Loan made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 9- MISCELLANEOUS

Section 9.1 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail, or overnight courier:

If to Lender:

Millennium Trust Company, LLC Custodian/BBO Ali M. Mojdehi IRA
2001 Spring Road, Suite 700
Oak Brook, Illinois 60523

With copy to:

Ali M. Mojdehi
PO Box 8722
La Jolla, California 92037

If to the Company and Guarantor:

Kim H. Peterson
P.O. Box 67637
Rancho Santa Fe, CA 92067
Email: kimharoldpeterson@gmail.com

With a Copy to:

F. Sigmund Luther
5333 Mission Center Road, Suite 360
San Diego, California 92108
Email: sig.luther@gmail.com

Section 9.2 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

Section 9.3 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

Section 9.4 Choice of Law. This Agreement shall be governed by the laws of the State of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court and each party hereby waives the right to bring an action in any other forum and consents to removal of an action filed in another forum to the forum specified herein.

Section 9.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any Person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other Person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

Section 9.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to Lender under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to Lender and nothing shall constitute a waiver by Lender of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

Section 9.7 Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached.

Section 9.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties. All amendments, changes, revisions and discharges of this Agreement,

in whole or in part, and from time to time shall be binding upon the parties despite any lack of legal consideration, so long as the same shall be in writing and executed by the parties hereto.

Section 9.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, nor is either party granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.

Section 9.10 Further Acts. Each party hereby agrees that it shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement, without cost, including the execution and delivery of such documents, and the doing of such acts or things as may be required to satisfy the requirements of the Escrow Agreement and for Lender to fully and adequately perform its investigations of the Escrow Account.

Section 9.11 Confidentiality. Lender acknowledges that certain information provided to Lender by each Credit Party is confidential and proprietary information of the Credit Party, if and to the extent such information either (x) is marked as confidential by at the time of disclosure, or (y) should reasonably be understood to be confidential (the "Confidential Information"). Accordingly, Lender agrees that any Confidential Information it may obtain in the course of evaluating a Credit Party shall not be disclosed to any other Person in any manner whatsoever, in whole or in part, without the prior written consent of such Credit Party, except that Lender may disclose any such information: (a) to its own general partner, officers, employees, accountants, counsel and other professional advisors and to its affiliates if Lender in its sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with the Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information; (b) if such information is generally available to the public; (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over Lender; (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Lender's counsel; (e) to comply with any legal requirement or law applicable to Lender; (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement; (g) to any participant or assignee of Lender or any prospective participant or assignee; provided, that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 9.11 prior to disclosure; or (h) otherwise with the prior consent of such Credit Party; provided, that any disclosure made in violation of this Agreement shall not affect the obligations of any Credit Party or any of its Affiliates under this Agreement. As used in this Agreement, "Affiliate" means (1) ANI or (2) any person or entity (each a "Person") the Company controls, is controlled by, or under common control with.

Section 9.12 Assignment. Lender may sell or assign any part of any Loan[s] or any of its interest under this Agreement, and any other documents relating to this Agreement to any Person without the express written consent of the Company; however, any such assignment shall not be effective until Lender shall have delivered to the Company written notice of the assignment. After the effective date of any such assignment, such assignee shall be vested with all rights, powers and remedies of Lender hereunder with respect to the interest so assigned; but with respect to any such interest not so transferred, Lender shall retain all rights, powers and remedies hereby given. No such assignment by Lender shall relieve any Credit Party of any of its obligations hereunder.


Section 9.13 No Third Party Beneficiaries. No provisions of this Agreement or any other documents relating thereto are intended, nor will be interpreted, to provide or create any third-party beneficiary rights or any other rights of any kind in any Person other than Lender and any Credit Party unless specifically provided otherwise herein, and, except as otherwise so provided, all provisions will be personal and solely between the Lender and the Company.

[THE REST OF THE PAGE IS INTENTIONALLY BLANK]

Signature Page to Loan and Guaranty Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers and representatives as of the day and year first written above.

KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

Millennium Trust Company, LLC,
Custodian FBO Ali M. Mojdehi IRA

By _____
Print name _____
Title _____

Exhibit A

LOAN REQUEST

Date: _____

To: Millennium Trust Company, LLC, Custodian FBO Ali M. Mojdehi IRA
2001 Spring Road, Suite 700
Oak Brook, Illinois 60523

Kim Funding, LLC ("Borrower"), hereby requests from Millennium Trust Company, LLC, Custodian FBO Ali M. Mojdehi IRA ("Lender") a Loan in the amount of \$250,000.00 on _____, 20__ (the "Loan Date") pursuant to the Loan and Guaranty Agreement between Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please: Wire Funds to the Escrow Account

Escrow Agent: Chicago Title Company
Bank Name: City National Bank
Bank Address: 555 South Flower Street, 17th Floor, Los Angeles, California 90071
ABA Number: 122016086
Account Number: 555337206
Account Name: Chicago Title Company
Reference: Escrow/Title Order No. 00083720-004-DD (for escrows opened in 2018)
Escrow Office Name: Della Ducharme Unit

Borrower represents that the conditions precedent to the Loan set forth in the Agreement are satisfied and shall be satisfied upon the making of such Loan, including but not limited to: (i) that no event that has had or could reasonably be expected to have a material adverse effect has occurred and is continuing; (ii) that the representations and warranties set forth in the Agreement are and shall be true and correct in all material respects on and as of the Loan Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date; (iii) that Borrower is in compliance with all the terms and provisions set forth in each Loan Document on its part to be observed or performed; and (iv) that as of the Loan Date, no fact or condition exists that would (or would, with the passage of time, the giving of notice, or both) constitute an Event of Default under the Loan Documents. Borrower understands and acknowledges that Lender has the right to review the financial information supporting this representation and Lender may decline to fund the requested Loan if following such review Lender reasonably concludes such representation is not accurate in any material respect.

Borrower hereby represents that Borrower's corporate status and locations have not changed since the date of the Agreement.

Borrower agrees to notify Lender promptly before the funding of the Loan if any of the matters which have been represented above were not true and correct on the Loan Date, and if Lender has received no such notice before the Loan Date, then the statements set forth above shall be deemed to have been made and shall be deemed to be true and correct as of the Loan Date.

Executed as of _____, 20__

KIM FUNDING, LLC

By _____
Kim H. Peterson, Manager

Exhibit B

Escrow No. _____

Chicago Title
Company
701 B Street, Suite 760,
San Diego, CA 92101

Date: _____

ESCROW AGREEMENT
(Holding Funds)

This Escrow Agreement ("Agreement") is made and entered into as of the above date by and between ANI Development, LLC, a California limited liability company ("Lender"), and Chicago Title Company, a California corporation ("Escrow Holder").

RECITALS

Lender desires to deposit certain funds and direct others to deposit certain funds (the "Deposit") into this Escrow and to provide Escrow Holder with written instructions setting forth the conditions under which Escrow Holder will invest and hold the funds and ultimately disburse them.

Lender and Escrow Holder understand that this is a limited escrow only and is being opened for the benefit of _____ ("Applicant"), who is applying for a License to be issued by the California Alcoholic and Beverage Control (ABC) under Business and Professions Code sections 24070-24082, pursuant to the transfer of License _____ (\$ _____) to the Applicant.

NOW, THEREFORE, the parties agree as follows:

AGREEMENTS

Deposit. Upon the opening of this Escrow, Lender deposited a total sum of \$ _____ with Escrow Holder for the refundable deposit of ABC License _____. Escrow Holder will do the following:

Invest Funds. Place the Deposit into an interest-bearing account with all interest accruing to the account of Lender. Concurrently herewith, Lender will provide Escrow Holder with the required IRS Form W-9 and Investment Instructions required to establish such account.

226 Form. Escrow Holder to send to ABC Form 226 upon receipt of Deposit.

Release of the Initial Deposit. At any time, Lender may provide written instructions to Escrow Holder to release all or a portion of the Deposit and the interest thereon to various Chicago Title

escrows or back to Lender or otherwise. During the term of the Escrow, Escrow Holder will disburse the Deposit only upon the written instructions of the Lender. Upon receipt of such instructions, Escrow Holder's only duty is to comply with said instructions and to disburse the Deposit as requested by Lender.

Escrow Holder's Requirement to Terminate Escrow. Escrow Holder shall terminate this Escrow upon the Instructions of Lender or 360 days after the Escrow has been opened, unless requested to do otherwise by the Lender. At the time that the Escrow is terminated, all remaining funds shall be disbursed to Lender, less Escrow Holder's unpaid fees.

Escrow Holder's Fee. The base Escrow Fee is \$500.00 and is to be paid to Escrow Holder when the deposit is received, and additional Escrow Fee of \$500.00 per disbursement is to be paid to Escrow Holder when each disbursement is made.

Escrow Holder's General Provisions. By signature hereon, Lender approves Escrow Holder's General provisions, a copy of which is attached to this Agreement as Exhibit "A" and are incorporated by reference as if fully set forth in this Section.

Escrow Holder's Memorandum. Notwithstanding any provisions heretofore set forth by signature hereon, Lender informs Escrow Holder that Kim H. Peterson (D/O/B 8/27/48), who resides at 271 Oceans View Avenue, Del Mar, CA, or one of his Family Trusts or Entities ("Peterson") has provided to Lender all of the funds which were initially placed in Escrow. Upon the death or incapacitation of Gina Champion-Cain, Managing Member of Lender, Escrow Holder is directed by Lender to return the entire Deposit to Peterson, unless otherwise instructed by Peterson.

IN WITNESS WHEREOF, this Escrow Agreement has been executed by the parties effective as of the date indicated above.

LENDER

ANI Development, LLC,
a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

By _____
Gina Champion-Cain
Date:

ESCROW HOLDER

Chicago Title Company,
a California corporation

By _____
Betty Elixman
Date:

EXHIBIT 4

f

AMENDED AND RESTATED LOAN AGREEMENT

THIS AMENDED AND RESTATED LOAN AGREEMENT ("this Agreement") dated January 1, 2019, is entered into by Kim Funding, LLC, a California limited liability company (the "Company"), and Behnam Malekkhosravi and Noushin Malekkhosravi, husband and wife (collectively "Lender").

RECITALS

Whereas the Company seeks financing, the proceeds of which will be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcohol Beverage Control as required by state regulations (each an "Escrow Account");

Whereas the Company has established and will continue to establish with Chicago Title ("Escrow Holder") Escrow Accounts pursuant to agreements (each, an "Escrow Agreement") to accept the proceeds of the Loan (defined below);

Whereas on or about August 25, 2016, the Company, Kim H. Peterson ("Guarantor"), and Lender executed that certain Loan and Guaranty Agreement (the "Original Agreement") by which Lender agreed to lend to the Company \$2,000,000.00 for the purposes described in the Original Agreement.

Whereas on or about October 31, 2016, the Company and Lender executed that certain First Amendment to Loan and Guaranty Agreement (the "First Amendment") by which (1) the amount Lender agreed to lend to the Company was increased to \$4,000,000.00 and (2) the outside date for the Termination Date was amended to be October 31, 2018.

Whereas by this Agreement, the Company and Lender desire to (1) continue the Company's use of Lender's \$4,000,000.00 to fund Escrow Accounts and (2) amend and supersede the terms of the Original Agreement and First Amendment.

In consideration of the mutual covenants contained herein, Lender hereby agrees to provide certain funds on the terms and conditions set forth below.

SECTION 1 – GENERAL TERMS

1.1 Loan Advance. Subject to the terms and conditions of this Agreement, Lender will make available to the Company \$4,000,000.00 ("the Loan"), which the Company may use to fund Escrow Accounts. Lender and the Company acknowledge that, as of the date of this Agreement, the full amount of the Loan has been disbursed to the Company.

1.2 Use of Proceeds. The Company represents, warrants and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by ABC.

1.3 Evidence of Indebtedness. The Company will make the payment specified in the provisions of this Agreement. Payments will be made in freely transferable funds and in the manner customary for payments in US dollars.

1.4 Term. Lender's obligation to fund the Loan shall cease on **December 31, 2020** ("the **Termination Date**"); however, if Lender elects not to require repayment of the Loan on the Termination Date, the terms and conditions of this Agreement shall continue to apply to the Loan until the Loan is paid in full.

1.5 Payment. All unpaid principal and unpaid accrued interest shall be due on the Termination Date. As used herein, "**Interest Payment Date**" means the tenth Business Day after January 1, April 1, July 1, and October 1 of each year this Agreement remains in effect. Commencing on the first Interest Payment Date following the date of this Agreement and continuing on each Interest Payment Date thereafter, the Company shall pay to Lender interest accrued during the preceding three calendar months. The company reserves the right to prepay the Loan in whole or in part at any time(s) without penalty or additional charge.

1.6 Interest Rate. Except as provided below, the interest rate on the unpaid principal amount of the Loan shall be **8 percent** per annum. Interest shall on the unpaid balance of the Loan from time-to-time outstanding. Interest shall be computed based on a year consisting of 365 days and on the actual number of days elapsed. Notwithstanding the foregoing, if all or substantially all of the then pending Escrow Accounts are terminated as a consequence of or in response to a regulation, order, or enforcement action by ABC or Department of Business Oversight, then the interest rate on the Loan shall be the lesser of (1) **8 percent** per annum or (2) the actual amount of points and interest paid by the License Applicants with respect to the Escrow Accounts funded with the proceeds of the Loan.

1.7 Maximum Interest. Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction shall finally determine that the Company has actually paid to Lender an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan, second, after all principal is repaid, to the payment of Lender's accrued interest, costs, expenses, professional fees, and third, the excess (if any) shall be refunded to the Company.

1.8 Guarantor's Death or Disability. Guarantor is concurrently executing and delivering to Lender a guaranty in form and content as **Exhibit C** attached hereto. If Guarantor dies or becomes permanently disabled and, as a consequence of such disability, unable to competently manage the Escrow Accounts, then the following shall apply:

1.8.1 As used in this section, the following terms shall have the following meanings:

"**Transition Date**" shall mean the earlier of (1) date on which Guarantor dies or (2) the date on which Guarantor becomes permanently disabled and, as a consequence of such disability, unable to competently manage the Escrow Accounts.

"**Escrow Loan**" shall mean the portion of the funds deposited into an Escrow Account from the proceeds of the Loan (e.g., if an Escrow Account was funded with \$150,000.00 and of such amount \$100,000.00 was deposited into the Escrow Account from the proceeds of the Loan, then the Escrow Loan with respect to such Escrow Account would be \$100,000.00).

"**Loan Request**" shall mean a writing substantially in form and content as **Exhibit A** attached hereto.

1.8.2 For each Escrow Loan that is paid after the Transition Date (irrespective of whether the Escrow Loan was funded before or after the Transition Date), Escrow Holder shall disburse to Lender directly from the Escrow Account the principal amount of the Escrow Loan.

1.8.3 For each Escrow Loan made after the Transition Date, the following shall apply:

1.8.3.1 The Escrow Agreement for each such Escrow Loan shall be substantially in form and content as **Exhibit B** attached hereto.

1.8.3.2 To request funds to fund an Escrow Account, the Company shall, at least three Business Days before the proposed funding of the Escrow Account, complete, sign and deliver to Lender a request in a form attached as **Exhibit A** (a "**Loan Request**"). Not later than 1:00 PM (California time) on the third Business Day following Lender's receipt of the Loan Request, Lender shall wire the funds in the amount and manner requested by the Loan Request provided that each of the conditions precedent to such Loan is satisfied as of the requested date of the Escrow Loan (the "**Loan Date**"). Promptly following the Loan Date, the Company shall furnish to Lender written evidence from Escrow Holder that Escrow Holder has received the funds wired by Lender to Escrow Holder pursuant to the applicable Loan Request. As used in this Agreement, "**Business Day**" shall mean any day other than a Saturday, Sunday or day on which banks in New York City are generally authorized or required by law to close.

1.8.3.3 As used herein, "**Due Date**" for an Escrow Loan means the date that is three Business Days following the earliest of (1) the date the License Applicant delivers to Escrow Holder the License Applicant's funds to replace the principal amount of the Loan for the required deposit to complete the license transfer to the License Applicant, (2) the date the License Applicant's license transfer escrow is terminated because ABC disapproved the License Applicant's transfer application, or (3) the date that is 270 days after the Loan Date for such Escrow Loan. The Company shall be obligated to pay Lender the principal on each Escrow Loan on the Due Date for such Escrow Loan. The Company shall cause Escrow Holder to pay to Lender from the Escrow Account the principal due and owing with respect to an Escrow Loan on the Due Date of such Escrow Loan.

1.8.3.4 If from time-to-time the principal balance of the Loan is less than \$4,000,000.00 because of the disbursements to Lender by Escrow Holder for payment of the principal balance of Escrow Loans, then interest shall be calculated based upon such reduced principal balance.

SECTION 2 - CONDITIONS PRECEDENT TO LOAN

Lender's obligation to make the Loan and allow the Loan proceeds to continue to be used to fund Escrow Accounts is subject to the conditions that (1) no Event of Default exists and (2) the Loan proceeds shall be and are being used solely to fund Escrow Accounts.

SECTION 3 - REPRESENTATIONS

3.1 **Mutual Representations.** Each party makes the representations that:

(a) If a party is not a natural person, it is duly organized and validly existing under the laws of the jurisdiction of formation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement, the Loan Documents, and any other documents that are required by this Agreement, to deliver and to perform its obligations under this Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documents relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) No broker's or finder's fee or commission will be payable with respect to any Loan.

3.2 **Company Representations.** The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) This Agreement and all documents, certificates, and statements furnished or to be furnished to Lender by or on behalf of the Company in connection herewith do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein and therein not misleading. The Company knows no fact that materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to Lender by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other

lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

3.3 Lender Representations. Lender makes the representations that:

(a) It meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(b) It has the requisite knowledge and experience to assess the relative merits and risks of the Loans.

(c) It is aware that this Agreement and the Loans hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws, and is subject to restrictions on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – EVENTS OF DEFAULT

4.1 Defaults. The occurrence of any one or more of the following events shall constitute an "Event of Default":

(a) The Company timely fails to pay any payment due on the Loan.

(b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement.

(c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan.

(d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to Lender hereunder, proves to have been false in any material respect as of the time when made or given.

(e) The Company (i) becomes insolvent, or (ii) is unable to pay or admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors, or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets, or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent), or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enter into any formal or informal composition or arrangement with its creditors.

4.2 Effect of an Event of Default. If any Event of Default shall occur, then (1) at Lender's option, all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company and (2)

Lender's obligations to fund additional Escrow Loans and/or provide any other funds to the Company shall terminate.

SECTION 5 – EXPENSES AND REIMBURSEMENTS

5.1 Reimbursement. Following an Event of Default, the Company shall pay or reimburse Lender for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by Lender before and after judgment in enforcing, protecting or preserving its rights under this Agreement, the Loan, and other document required hereunder or thereunder.

5.2 Survival. The foregoing agreements and indemnities of this Section 5 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of any Loan made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 6 - MISCELLANEOUS

6.1 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail or overnight courier, addressed as follows:

If to Lender:

Behnam Malekkhosravi
Noushin Malekkhosravi
6849 County Club Drive
La Jolla, California 92037
Email: noushin10@gmail.com
With copy to: cyrusmoj@gmail.com

If to the Company:

KIM Funding, LLC
P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY FEDEX)

With a Copy to:

ANI Development, LLC
3515 Hancock, Unit 200
San Diego, CA 92110

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

6.3 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

6.4 Choice of Law. This Agreement shall be governed by the laws of the State of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

6.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

6.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to Lender under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to Lender and nothing shall constitute a waiver by Lender of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

6.7 Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached.

6.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties.

6.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, nor is either party granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.

6.10 Further Acts. Each party hereby agrees that it shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement.

6.11 Confidentiality. Lender acknowledges that certain information provided to Lender by the Company is confidential and proprietary information of the Company, if and to the extent such information either (x) is marked as confidential by at the time of disclosure, or (y) should reasonably be understood to be confidential (the "**Confidential Information**"). Accordingly, Lender agrees that any Confidential Information it may obtain in the course of evaluating the Company shall not be disclosed to any other person in any manner whatsoever, in whole or in part, without the prior written consent of the Company, except that Lender may disclose any such information: (a) to its own general partner, officers, employees, accountants, counsel and other professional advisors and to its affiliates if Lender in its sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with a Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over Lender, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Lender's counsel, (e) to comply with any legal requirement or law applicable to Lender, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement, (g) to any participant or assignee of Lender or any prospective participant or assignee, provided, that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 6.11 prior to disclosure; or (h) otherwise with the prior consent of the Company; provided, that any disclosure made in violation of this Agreement shall not affect the obligations of the Company or any of its Affiliates under this Agreement.

6.12 Noncompete. During the term of this Agreement and for a period of five years following expiration or termination of this Agreement, Lender and Lender's affiliates shall not within California directly or indirectly engage in the business of making loans to persons seeking approval from ABC for transfers of licenses issued by ABC. The prohibition in the preceding sentence includes any and all activities by Lender or Lender's affiliates as an agent, partner, member, shareholder, owner, consultant, or lender to any business engaged in providing loans to persons seeking ABC's approval for transfers of licenses issued by ABC.

6.13 Prior Agreement. Effective as of the date of this Agreement, this Agreement supersedes and replaces the Original Agreement (as amended by the First Amendment) in its entirety. The Company and Lender represent to the other (1) no Event of Default exists under the Original Agreement (as amended by the First Amendment) as of the date of this Agreement and (2) the Company has paid to Lender all interest owed under the Original Agreement (as amended by the First Amendment) that accrued through December 31, 2019.

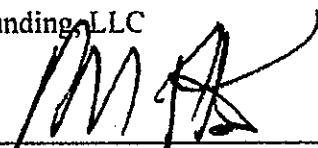
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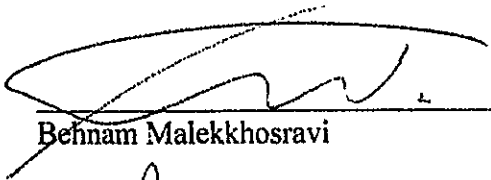
SIGNATURE PAGE TO AMENDED AND RESTATED LOAN AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers and representatives as of the day and year first written above.

Kim Funding, LLC

By


Kim H. Peterson, Manager


Behnam Malekkhosravi


Noushin Malekkhosravi

Exhibit A
LOAN REQUEST

To:
Behnam Malekkhosravi
Noushin Malekkhosravi
6849 County Club Drive
La Jolla, California 92037
Email: noushin10@gmail.com
With copy to: cyrusmoj@gmail.com

Kim Funding, LLC ("Borrower"), hereby requests from Behnam Malekkhosravi and Noushin Malekkhosravi ("Lender") an additional loan advance in the amount of \$_____ on _____, 20__, pursuant to the Amended and Restated Loan Agreement between Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please wire funds to the Escrow Account as follows:

Escrow Agent:	Chicago Title Company
Bank Name:	City National Bank
Bank Address:	555 South Flower Street, 17th Floor, Los Angeles, California 90071
ABA Number:	122016066
Account Number:	555337205
Account Name:	Chicago Title Company
Reference:	Escrow No. 00102122-004-DD (for escrows opened in 2019)
Escrow Office Name:	Della Ducharme Unit

Borrower represents that the conditions precedent to the Loan set forth in the Agreement are satisfied.

Executed as of _____, 20__

Kim Funding, LLC,

By _____
Kim H. Peterson, Manager

Exhibit B

Escrow No. _____

Chicago Title Company
701 B Street, Suite 760,
San Diego, CA 92101

Date: _____

ESCROW AGREEMENT
(Holding Funds)

This Escrow Agreement ("Agreement") is made and entered into as of the above date by and between ANI Development, LLC, a California limited liability company ("Lender"), and Chicago Title Company, a California corporation ("Escrow Holder").

R E C I T A L S

Lender desires to deposit certain funds and direct others to deposit certain funds (the "Deposit") into this Escrow and to provide Escrow Holder with written instructions setting forth the conditions under which Escrow Holder will invest and hold the funds and ultimately disburse them.

Lender and Escrow Holder understand that this is a limited escrow only and is being opened for the benefit of _____ ("Applicant"), who is applying for a License to be issued by the California Alcoholic and Beverage Control ("ABC") under Business and Professions Code sections 24070-24082, pursuant to the transfer of License No. _____ to the Applicant.

NOW, THEREFORE, the parties agree as follows:

A G R E E M E N T S

Deposit. Upon the opening of this Escrow, Lender deposited or promptly will deposit a total sum of \$ _____ ("the Deposit") with Escrow Holder for the refundable deposit of ABC License _____. The source of funds for the Deposit shall be from an account at **Wells Fargo Bank** in the name of Behnam Malekkhosravi and Noushin Malekkhosravi. Escrow Holder will do the following:

Invest Funds. Place the Deposit into an interest bearing account with all interest accruing to the account of Lender. Concurrently herewith, Lender will provide Escrow Holder with the required IRS Form W-9 and Investment Instructions required to establish such account.

226 Form. Escrow Holder to send to ABC Form 226 upon receipt of Deposit.

Release of the Initial Deposit. During the term of the Escrow, Escrow Holder will disburse the Deposit only upon the written instructions of the Lender. During the term of this Escrow, upon the written instructions from Lender, Escrow Holder will disburse the Deposit amount to the following account:

Custodian/Broker: Wells Fargo Bank
Address: 7714 Girard Avenue, La Jolla, California 92037
ABA Number : 121000248
Account Number: 6351355596
Account Name: Malekkhosravi Trust

After making the above disbursement, all remaining funds shall be disbursed to Lender. Upon receipt of such instructions, Escrow Holder's only duty is to comply with said instructions and to disburse the Deposit amount as requested by Lender and in accordance with this Escrow Agreement.

Escrow Holder's Requirement to Terminate Escrow. Escrow Holder shall terminate this Escrow upon the Instructions of Lender or 270 days after the Escrow has been opened, unless requested to do otherwise by the Lender. At the time that this Escrow is terminated, the Deposit and, as instructed by the Lender, shall be disbursed to the Behnam Malekkhosravi and Noushin Malekkhosravi account referenced above, and all remaining funds shall be disbursed to Lender unless otherwise directed, less Escrow Holder's unpaid fees.

Escrow Holder's Fee. Lender shall pay to Escrow Holder a fee in the amount of \$1,000.00 for Escrow Holder's services provided in connection with this Escrow, which fee shall be paid \$500.00 upon Escrow Holder's receipt of the Deposit and \$500.00 upon Escrow Holder's release of the Deposit.

Escrow Holder's General Provisions. By signature hereon, Lender approves Escrow Holder's General provisions, a copy of which is attached to this Agreement as **Exhibit "A"** and are incorporated by reference as if fully set forth in this Section.

Third Party Beneficiary. The Lender and the Escrow Holder agree that Behnam Malekkhosravi and Noushin Malekkhosravi shall be, and are hereby, named an express third party beneficiary of this Agreement, with full rights as such. The language of this Agreement relating to "Release of Deposit" and "Escrow Holder's Requirement to Terminate Escrow" cannot be amended without the advance written consent of the Behnam Malekkhosravi and Noushin Malekkhosravi.

IN WITNESS WHEREOF, this Escrow Agreement has been executed by the parties effective as of the date indicated above.

LENDER

ANI Development, LLC,
a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

By _____
Gina Champion-Cain

ESCROW HOLDER

Chicago Title Company,
a California corporation

By _____
Betty Elixman

Exhibit C

Guaranty

As a material inducement to and in consideration of Behnam Malekkhosravi and Noushin Malekkhosravi ("**Lender**") entering into that certain Amended and Restated Loan Agreement dated **January 1, 2019 (the Loan Agreement)**, the undersigned ("**Guarantor**") unconditionally guaranties the full performance of each and all of the terms, covenants, and conditions of the Loan Agreement to be performed by KIM Funding, LLC, a California limited liability company ("**KIM**"), including payment of all principal, interest, and other charges accruing thereunder.

Guarantor waives the benefit of any statute of limitations affecting the Guarantor's liability under this Guaranty.

The provisions of the Loan Agreement may be changed by agreement between Lender and KIM at any time or by course of conduct without the consent of or notice to Guarantor, in which event this Guaranty shall guaranty the performance of the Loan Agreement, as amended.

Lender may without notice assign this Guaranty in whole or in part. No assignment or transfer of the Loan Agreement or any interest therein shall operate to extinguish or diminish the liability of Guarantor hereunder.

This Guaranty shall not be affected by Lender's failure or delay to enforce any of Lender's rights.

If KIM defaults under the Loan Agreement, Lender may proceed immediately against Guarantor or KIM or both, or Lender may enforce against Guarantor or KIM or both any rights that Lender has under the Loan Agreement or pursuant to any applicable laws. If the Loan Agreement terminates and Lender has any rights that Lender can enforce against KIM after termination, Lender shall be entitled to enforce those rights against Guarantor without giving previous notice to KIM or Guarantor and without making any demand on either of them.

Guarantor waives the right to require Lender to (1) proceed against KIM, (2) proceed against or exhaust any security that Lender holds from KIM, or (3) pursue any other remedy in Lender's power. Guarantor waives any defense by reason of any disability of KIM and any defense based on the termination of KIM's liability from any cause. Guarantor acknowledges that this Guaranty will continue unchanged by any bankruptcy, reorganization or insolvency of KIM or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of KIM. Until all of KIM's obligations to Lender have been discharged in full, Guarantor waives any right of subrogation Guarantor may have against KIM. Guarantor waives Guarantor's right to enforce any remedies that Lender now has or may later have against KIM. Guarantor waives any right to participate in any security now or later held by Lender. Guarantor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor and notices of acceptance of this Guaranty, and all notices of the existence, creation, or incurring of new or additional obligations.

Guarantor shall pay to Lender all costs, including, without limitation, reasonable attorney's fees incurred in the enforcement of the obligations hereby guaranteed or the enforcement of this Guaranty.

The terms and provision of this Guaranty (1) shall be binding upon and inure to the benefit of the respective successors and assigns of Lender and Guarantor and (2) supersede and replace Guarantor's obligations under that certain Loan and Guaranty Agreement dated **August 25, 2016**, executed by Lender, KIM, and Guarantor.

Dated: January 1, 2019

Guarantor:



Kim H. Peterson

Guarantor's Address for Notice:

P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY FEDEX OR PERSONAL SERVICE)

First Amendment to Loan and Guaranty Agreement

This Amendment, dated October 31, 2016, is executed by Kim Funding, LLC, a California limited liability company ("**the Company**"), Kim H. Peterson ("**Guarantor**"), and Behnam Malekkhosravi and Noushin Malekkhosravi, husband and wife (collectively, "**BNM**"). This Amendment is executed with reference to the following facts:

A. On or about August 25, 2016, the Company, Guarantor, and BNM executed that certain Loan and Guaranty Agreement ("**the Agreement**") by which BNM agreed to lend to the Company \$2,000,000.00 for the purposes described in the Agreement.

B. By this Amendment, the parties desire to increase the amount BNM will lend to the Company pursuant to the terms of the Agreement.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, BNM will make available to the Company up to \$4,000,000.00 as of the date of this Agreement (the "**Effective Date**") upon which the Company may draw from time to time pursuant to multiple loans (each a "**Loan**").

2. The first sentence of Section 1.5 of the Agreement is deleted in its entirety and the following substituted therefor:

BNM's obligation to fund Loans shall cease on the date ("**the Termination Date**") that is the earlier of (1) the date on which the agreement between ANI and the Company terminates or (2) October 31, 2018; however, if BNM elects to fund Loans after the Termination Date, the terms and conditions of this Agreement shall continue to apply to all Loans funded by BNM.

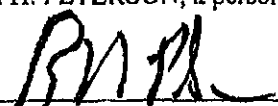
3. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.

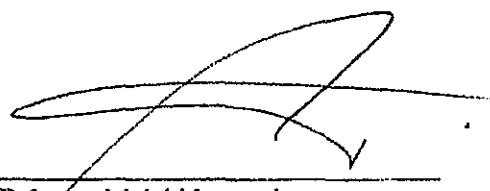
KIM FUNDING, LLC, as the Company

By


Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson


Behnam Malekkhosravi


Noushin Malekkhosravi

LOAN AND GUARANTY AGREEMENT
(\$2,000,000.00 Funding)

THIS LOAN AND GUARANTY AGREEMENT is made and dated as of August 25, 2016, and is entered into by and among Kim Funding, LLC, a California limited liability company (the "**Company**"), Kim H. Peterson ("**Guarantor**"), and Behnam Malekkhosravi and Noushin Malekkhosravi, husband and wife (collectively, "**BNM**").

RECITALS

Whereas, the Company seeks financing, the proceeds of which to be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcohol Beverage Control as required by state regulations (each an "**Escrow Account**");

Whereas the Company is affiliated with ANI Development, LLC, a California limited liability company ("**ANI**"), and ANI will establish with Chicago Title ("**Escrow Holder**") an Escrow Account pursuant to an agreement (the "**Escrow Agreement**") to accept the proceeds of each Loan (defined below);

Whereas Guarantor has agreed to furnish a continuing guarantee of certain obligations of the Company (Guarantor and the Company each a "**Credit Party**");

Whereas BNM is willing to advance the Loans to the Company on the terms and conditions set forth in this Agreement;

Whereas, the Company, Guarantor, and BNM have previously executed (1) Loan and Guaranty Agreement dated January 25, 2016, and First Amendment to Loan and Guaranty Agreement, dated March 2, 2016 (collectively, "**the \$700,000.00 Loan Agreement**"), and (2) Loan and Guaranty Agreement dated March 2, 2016 ("**the \$1,300,000.00 Loan Agreement**") (such previously executed agreements, as amended, are herein collectively referred to as "**the Prior Agreements**");

Whereas, the \$1,300,000.00 Loan Agreement provides (1) BNM agrees to make available to the Company up to \$1,300,000.00 to fund Loans (as such term is defined in the \$1,300,000.00 Loan Agreement) and (2) payment of principal and interest for each Loan shall be accomplished by Escrow Holder's paying BNM directly from an Escrow Account;

Whereas, the \$700,000.00 Loan Agreement provides (1) BNM agrees to make available to the Company up to \$700,000.00 to fund Loans (as such term is defined in the \$700,000.00 Loan Agreement) and (2) payment of principal and interest for each Loan shall be accomplished by Escrow Holder's making payment to the Company from an Escrow Account and the Company's making payment to BNM; and

Whereas, by this Agreement, the parties desire to (1) consolidate the parties' rights and obligations under the the Prior Agreements into a single agreement, (2) modify the terms of the

Prior Agreements to provide that interest payments under Loans shall be paid quarterly by the Company (not by Escrow Holder from funds in an Escrow Account), and (3) modify the terms of the \$700,000.00 Loan Agreement to provide that principal owed under a Loan will be paid to BNM directly by Escrow Holder from an Escrow Account.

Therefore in consideration of the mutual covenants contained herein, BNM hereby agrees to provide financing on the terms and conditions set forth below.

SECTION 1 – GENERAL TERMS

Section 1.1 **Loan Advance.** Subject to the terms and conditions of this Agreement, BNM will make available to the Company up to **\$2,000,000.00** as of the date of this Agreement (the **"Effective Date"**) upon which the Company may draw from time to time pursuant to multiple loans (each a **"Loan"**).

Section 1.2 **Use of Proceeds.** The Company represents, warrants and agrees that the proceeds of each Loan will be used solely for the following purpose: contemporaneously with the Loan, the proceeds of which shall be used to fund the Escrow Accounts of persons or entities (each a **"License Applicant"**) seeking authorization from the California Department of Alcoholic Beverage Control (the **"ABC"**) to acquire by transfer a license issued by ABC.

Section 1.3 **Loan Request.** To request a Loan, the Company shall complete, sign and deliver a request for a Loan, in a form attached as Exhibit A (a **"Loan Request"**) to BNM at least three business days before the proposed funding of the Escrow Account. Not later than 1:00 PM (California time) on the third business day following BNM's receipt of the Loan Request, BNM shall wire the funds in the amount and manner requested by the Loan Request provided that each of the conditions precedent to such Loan is satisfied as of the requested date of the Loan (the **"Loan Date"**). Promptly following the Loan Date, the Company shall furnish to BNM written evidence from Escrow Holder that Escrow Holder has received the funds wired by BNM to Escrow Holder pursuant to the applicable Loan Request. As used in this Agreement, **"Business Day"** shall mean any day other than a Saturday, Sunday or day on which banks in New York City are generally authorized or required by law to close.

Section 1.4 **Evidence of Indebtedness.** For each Loan Request, the Company will make the payment specified in the provisions of this Agreement. Payments will be made in freely transferable funds and in the manner customary for payments in US dollars (**"Cash"**). Payment of principal will be made as provided in Sections 1.5 and 1.6 below. Payment of interest shall be made as provided in Section 1.7 below.

Section 1.5 **Term.** BNM's obligation to fund Loans shall cease on the date (**"the Termination Date"**) that is the earlier of (1) the date on which the agreement between ANI and the Company terminates or (2) the second anniversary of the Effective Date; however, if BNM elects to fund Loans after the Termination Date, the terms and conditions of this Agreement shall continue to apply to all Loans funded by BNM. As used herein, **"Due Date"** for a Loan means the date that is three Business Days following the earliest of (1) the date the License Applicant delivers to Escrow Holder the License Applicant's funds to replace the principal amount of the

Loan for the required deposit to complete the license transfer to the License Applicant, (2) the date the License Applicant's license transfer escrow is terminated because ABC disapproved the License Applicant's transfer application, or (3) the date that is 270 days after the Loan Date for such Loan. The Company shall be obligated to pay BNM the principal on each Loan on the Due Date for such Loan.

Section 1.6 Principal Payment. The Company shall cause ANI to instruct the Escrow Holder to pay to BNM from the Escrow Account the principal due and owing with respect to a Loan on the Due Date of such Loan.

Section 1.7 Interest Rate and Payment. The interest rate shall be 8 percent per annum of the principal amount of the Loan. The principal balance of each Loan shall bear interest thereon from the Loan Date of the Loan, based on a year consisting of 365 days, with interest computed daily based on the actual number of days elapsed. Prior to the later of the Termination Date or the date on which all principal on all Loans has been paid, interest accrued during each calendar quarter shall be paid by the Company to BNM on or before the tenth day following the end of the calendar quarter for which interest is being paid. Within 30 days following the later of the Termination Date or the date on which all principal on all Loans has been paid, the Company shall pay all remaining unpaid interest. As used herein, calendar quarter means each three-month period commencing January 1 of each year (e.g., the first calendar quarter is January 1 through March 31), and interest payments shall be due on or before April 10, July 10, October 10 and January 10 for the first, second, third and fourth calendar quarters, respectively. Notwithstanding the foregoing, if for any reason (1) the agreement between ANI and the Company terminates or (2) Escrow Agreements have to be terminated as a consequence of an order or demand by ABC, California Department of Business Oversight or other governmental agency, then (i) the interest rate on all Loans then outstanding shall be reduced to 5 percent per annum retroactive to the Loan Date for each Loan and (ii) if as of the date of any such occurrence the amount the Company has paid in quarterly interest payments on such outstanding Loans exceeds the amount of interest actually due, based upon the reduced interest rate, BNM shall refund to the Company such excess within 20 days after the Company notifies BNM of the amount owed for such excess interest. Nothing contained in the preceding sentence shall require BNM to refund to the Company any interest on Loans for which the principal balance has been paid in full prior to the date of such occurrence.

Section 1.8 Maximum Interest. Notwithstanding any provision in this Agreement, it is the parties' intent not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction shall finally determine that the Company has actually paid to BNM an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan; second, after all principal is repaid, to the payment of BNM's accrued interest, costs, expenses, professional fees; and third, the excess (if any) shall be refunded to the Company.

SECTION 2 - CONDITIONS PRECEDENT TO LOAN

Section 2.1 Conditions. The obligations of BNM to make any Loan hereunder are subject to the satisfaction by BNM of the following conditions:

(a) BNM shall have received a Loan Request executed by the Company and an Escrow Agreement executed by ANI, attached as Exhibit B (together, the "**Loan Documents**");

(b) An Escrow Account shall have been established pursuant to the Escrow Agreement;

(c) As of the date of the Loan Request, the representations and warranties contained herein shall be true and correct in all material respects to the same extent as though made on and as of that date;

(d) The Company shall be in compliance with all the terms and provisions set forth herein to be observed or performed, and at the time of and immediately after such Loan no Event of Default shall have occurred and be continuing; and

(e) Each Loan Request or any extension thereof shall be deemed to constitute a representation and warranty by the Company as to the matters specified in paragraphs (c) and (d) of this Section 2.1.

SECTION 3 - REPRESENTATIONS

Section 3.1 Mutual Representations. Each party makes the representations that:

(a) It is duly organized and validly existing under the laws of the jurisdiction or incorporation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement, the Loan Documents, and any other documentation that is required by this Agreement, to deliver and to perform its obligations under this Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documentation relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) The respective party's obligations under this Agreement and any other documentation related to this Agreement to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(f) No broker's or finder's fee or commission will be payable with respect to any Loan.

Section 3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) Neither this Agreement nor any other document, certificate or statement furnished or to be furnished to BNM by or on behalf of the Company in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact known to the Company which materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to BNM by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) It is not a party to any litigation or administrative proceeding, nor so far as is known by the Company is any litigation or administrative proceeding threatened against it which could, if adversely determined, cause any material adverse change in its property, financial condition or the conduct of its business.

(d) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

(e) It is not a party to any agreement, instrument or undertaking, or subject to any other restriction, (a) which materially adversely affects or may in the future so affect the property, financial condition or business operations of the Company, or (b) under or pursuant to which the Company is or will be required to place (or under which any other Person may place) a lien upon any of its properties securing indebtedness either upon demand or upon the happening of a condition, with or without such demand.

Section 3.3 BNM Representations. BNM makes the representations that:

(a) It is entering into this Agreement without any present intention of making a sale or other distribution of any of the Loans made pursuant to the Agreement, provided BNM reserves the right to sell any or all of the Loans or participations therein subject to the express written consent of the Company, with such consent not to be unreasonably withheld.

(b) It meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(c) It has the requisite knowledge and experience to assess the relative merits and risks of the Loans.

(d) It is aware that this Agreement and the Loans hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws, and is subject to restrictions on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – AFFIRMATIVE COVENANTS

Section 4.1 Existence; Compliance with Laws; Businesses and Properties. The Company will do or cause to be done all things reasonably necessary to:

(a) preserve, renew and keep in full force and effect its legal existence under the laws of its jurisdiction of organization;

(b) do or cause to be done all things reasonably necessary to the conduct of its business; and

(c) comply in all material respects with applicable laws, rules, regulations and decrees and orders of any governmental authority, whether now in effect or hereafter enacted.

Section 4.2 Taxes. The Company shall pay and discharge when due all taxes imposed upon it or upon its income or profits or in respect of its property, before the same shall become overdue by more than 45 days; provided, however, that such payment and discharge shall not be required with respect to any such tax so long as the validity or amount thereof is being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves.

Section 4.3 Information Regarding Escrow Account. The Company shall furnish to BNM notice of any change on or prior to the occurrence of any change in or closing of any Escrow Account.

SECTION 5 - NEGATIVE COVENANTS

Section 5.1 Conduct of Business. From and after the Effective Date, the Company shall not engage in any business other than (i) the businesses engaged in by the Company on the Effective

Date and similar or related businesses and (ii) such other lines of business as the parties may agree.

Section 5.2 Fundamental Changes. The Company may not consolidate or merge with or into or wind up into (whether or not the Company is the surviving entity), and may not sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Company, taken as a whole, in one or more related transactions, to any Person unless:

(a) the Company is the surviving Person formed by or surviving any such consolidation or merger (if other than the Company) or the entity to whom such sale, assignment, transfer, lease, conveyance or other disposition will have been made is organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Person, the "**Successor Company**");

(b) the Successor Company, if other than the Company, expressly assumes all the obligations of the Company under this Agreement pursuant to documentation reasonably satisfactory to BNM;

(c) immediately after such transaction, no Event of Default (as defined in Section 6) exists; and

(d) Guarantor shall have confirmed its guaranty under this Agreement reasonably satisfactory to BNM;

provided, that the Company shall promptly notify BNM of any such transaction and shall take all required actions prior to such transaction.

SECTION 6 – EVENTS OF DEFAULT

Section 6.1 Defaults. The occurrence of any one or more of the following events shall constitute an "**Event of Default**":

(a) The Company shall fail to pay any payment due on any Loan on the Due Date.

(b) The Company shall default in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement or any similar loan agreement in effect between the Company and BNM.

(c) The Company shall default in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan.

(d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to BNM hereunder, shall prove to have been false in any material respect as of the time when made or given.

(e) Litigation or an administrative proceeding is instituted against the Company which could, if adversely determined, cause any material adverse change in the Company's financial condition or the conduct of its business.

(f) The Company or Guarantor shall: (i) become insolvent; or (ii) be unable, or admit in writing its inability to pay its debts as they mature; or (iii) make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property; or (iv) become the subject of an "order for relief" within the meaning of the United States Bankruptcy Code; or (v) become the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors; or (vi) apply to a court for the appointment of a custodian or receiver for any of its assets; or (vii) have a custodian or receiver appointed for any of its assets (with or without its consent); or (viii) otherwise become the subject of any insolvency proceedings or propose or enter into any formal or informal composition or arrangement with its creditors; or (ix) die.

(g) This Agreement, any of the Loan Documents, or the Guaranteed Obligations (as defined in Section 7) shall for any reason, cease to be in full force and effect or be declared null and void, or be revoked or terminated, or the validity or enforceability thereof or hereof shall be contested by the Company, any member of the Company or Guarantor, or the Company or Guarantor shall deny that it has any or further liability or obligation thereunder or hereunder, as the case may be.

Section 6.2 Notice of Default. Promptly upon the Company obtaining knowledge of any condition or event that constitutes an Event of Default or that notice has been given to the Company or Guarantor with respect thereto the Company shall provide written notice to BNM specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such person and the nature of such claimed Event of Default and what action the Company has taken, is taking and proposes to take with respect thereto.

Section 6.3 Notice of Litigation. Promptly upon the Company obtaining knowledge of (i) any litigation not previously disclosed in writing by the Company to BNM, or (ii) any development in any litigation involving the Company that if adversely determined could be reasonably expected to have a material adverse effect, or seeks to enjoin or otherwise prevent the consummation of or to recover any damages or obtain relief as a result of, the transactions contemplated hereby, written notice thereof together with such other information as may be reasonably available to the Company to enable BNM and their counsel to evaluate such matters.

Section 6.4 Effect of an Event of Default. If any Event of Default shall occur, at BNM's option, all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company. Furthermore, BNM's obligations under this Agreement shall be terminated.

SECTION 7 - GUARANTY

Section 7.1 Limited Guaranty of the Obligations. Guarantor hereby irrevocably and unconditionally guaranties to BNM for the benefit of BNM the due and punctual payment in full of the principal balance of all Loans when the same shall become due (collectively, the “Guaranteed Obligations”).

Section 7.2 Payment by Guarantor. Guarantor hereby agrees, in furtherance of the foregoing and not in limitation of any other right which BNM may have at law or in equity against Guarantor by virtue hereof, that upon the failure of the Company to pay any of the Guaranteed Obligations when and as the same shall become due, whether at stated maturity, Guarantor will upon demand pay, or cause to be paid, in Cash, to BNM, an amount equal to the sum of the Guaranteed Obligations then due.

Section 7.3 Liability of Guarantor Absolute. Guarantor agrees that Guarantor's obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, Guarantor agrees as follows:

(a) this Guaranty is a guaranty of payment when due and not of collectability. This Guaranty is a primary obligation of Guarantor and not merely a contract of surety;

(b) BNM may enforce this Guaranty upon the occurrence of an Event of Default notwithstanding the existence of any dispute between the Company and BNM with respect to the existence of such Event of Default;

(c) Guarantor's obligations hereunder are independent of the obligations of the Company and the obligations of any other guarantor of the obligations of the Company, and a separate action or actions may be brought and prosecuted against Guarantor whether or not any action is brought against the Company or any of such other guarantors and whether or not the Company is joined in any such action or actions;

(d) payment by Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge Guarantor's liability for any portion of the Guaranteed Obligations which has not been paid. Without limiting the generality of the foregoing, if BNM is awarded a judgment in any suit brought to enforce Guarantor's covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release Guarantor from its covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit;

(e) BNM, upon such terms as it deems appropriate, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of Guarantor's liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations; (ii) settle, compromise, release or

discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations; (iii) request and accept other guaranties of the Guaranteed Obligations and take and hold security for the payment hereof or the Guaranteed Obligations; (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person with respect to the Guaranteed Obligations; (v) enforce and apply any security now or hereafter held by or for the benefit of BNM in respect hereof or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that BNM may have against any such security, in each case as BNM in its discretion may determine consistent herewith or any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of Guarantor against any other Credit Party or any security for the Guaranteed Obligations; and (vi) exercise any other rights available to it under the Loan Documents; and

(f) This Guaranty and the obligations of Guarantor hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment in full of the Guaranteed Obligations), including the occurrence of any of the following, whether or not Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce an agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including provisions relating to Events of Default) hereof, or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guaranteed Obligations; (iii) the Guaranteed Obligations, the Loan Documents or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect; (iv) the application of payments received from any source to the payment of indebtedness other than the Guaranteed Obligations, even though BNM might have elected to apply such payment to any part or all of the Guaranteed Obligations; (v) BNM's consent to the change, reorganization or termination of the corporate structure or existence of the Company or any of its guarantors and to any corresponding restructuring of the Guaranteed Obligations; (vi) any defenses, set-offs or counterclaims which the Company may allege or assert against BNM in respect of the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury; and (vii) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of Guarantor as an obligor in respect of the Guaranteed Obligations.

Section 7.4 Waivers by Guarantor. Guarantor hereby waives, for the benefit of BNM:

(a) any right to require BNM, as a condition of payment or performance by Guarantor, to (i) proceed against the Company, any other guarantor of the Guaranteed Obligations or any other Person or (ii) pursue any other remedy in the power of BNM whatsoever;

(b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Company or any other guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of the Company or any other guarantor from any cause other than payment in full of the Guaranteed Obligations;

(c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

(d) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments and counterclaims, and (iv) promptness, diligence and any requirement that BNM protect, secure, perfect or insure any security interest or lien or any property subject thereto;

(e) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder, or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to the Company and any right to consent to any thereof;

(f) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof;

(g) Any right to require BNM to (i) proceed against Company or any other person, (ii) proceed against or exhaust any security, or (iii) pursue any other remedy. BNM may exercise or not exercise any right or remedy it has against Company or any security it holds (including the right to foreclose by judicial or nonjudicial sale) without affecting Guarantor's liability hereunder;

(h) any defenses from disability or other defense of Company or from the cessation of Company's liabilities;

(i) any setoff, defense or counterclaim against BNM;

(j) any defense from the absence, impairment or loss of any right of reimbursement or subrogation or any other rights against Company. Until Company's obligations to BNM have

been paid, Guarantor has no right of subrogation or reimbursement or other rights against Company;

(k) any right to enforce any remedy that BNM has against Company;

(l) any rights to participate in any security held by BNM;

(m) any demands for performance, notices of nonperformance or of new or additional indebtedness incurred by Company to BNM. Guarantor is responsible for being and keeping itself informed of Company's financial condition;

(n) the benefit of any act or omission by BNM which directly or indirectly results in or aids the discharge of Company from any of the Obligations by operation of law or otherwise; and

(o) the benefit of California Civil Code Section 2815 permitting the revocation of this Guaranty as to future transactions and the benefit of California Civil Code Sections 2809, 2810, 2819, 2839, 2845, 2848, 2849, 2850, 2899 and 1432 with respect to certain suretyship defenses.

Section 7.5 Continuing Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations shall have been paid in full. Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations.

Section 7.6 Authority of Guarantor or the Company. It is not necessary for BNM to inquire into the capacity or powers of Guarantor or the Company or the officers, directors or any agents acting or purporting to act on behalf of any of them.

Section 7.7 Financial Condition of the Company. Any Loan may be made to the Company or continued from time to time, without notice to or authorization from Guarantor regardless of the financial or other condition of the Company at the time of any such grant or continuation. BNM shall not have any obligation to disclose or discuss with Guarantor its assessment, or Guarantor's assessment, of the financial condition of the Company. Guarantor has adequate means to obtain information from the Company on a continuing basis concerning the financial condition of the Company and its ability to perform its obligations under this Agreement, and Guarantor assumes the responsibility for being and keeping informed of the financial condition of the Company and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. Guarantor hereby waives and relinquishes any duty on the part of BNM to disclose any matter, fact or thing relating to the business, operations or conditions of the Company now known or hereafter known by BNM.

SECTION 8 – EXPENSES AND REIMBURSEMENTS

Section 8.1 Reimbursement. Following an Event of Default, the Company shall pay or reimburse BNM for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by BNM before and after

judgment in enforcing, protecting or preserving its rights under this Agreement, the Loan, and other document required hereunder or thereunder.

Section 8.2 Indemnification. The Company agrees to indemnify BNM against any and all losses, claims, damages, liabilities and expenses, (including, without limitation, reasonable attorneys' fees and expenses) incurred by BNM arising out of, in any way connected with, or as a result of any claim, litigation, investigation or proceedings related to any of the Loans or other obligations of the Company, whether or not BNM is a party thereto; provided, however, that such indemnity shall not apply to any such losses, claims, damages, liabilities or related expenses arising from (a) any unexcused breach by BNM of its obligations under this Agreement, or (b) any commitment made by BNM to a Person other than the Company which would be breached by the performance of BNM's obligations under this Agreement.

Section 8.3 Survival. The foregoing agreements and indemnities of this Section 8 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of any Loan made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 9 - MISCELLANEOUS

Section 9.1 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail, or overnight courier:

If to BNM:

Behnam Malekkhosravi
Noushin Malekkhosravi
6849 County Club Drive
La Jolla, California 92037
Email: noushin10@gmail.com
With copy to: cyrusmoj@gmail.com

If to the Company and Guarantor:

Kim H. Peterson
P.O. Box 67637
Rancho Santa Fe, CA 92067
Email: kimharoldpeterson@gmail.com

With a Copy to:

F. Sigmund Luther
401 West A Street, Suite 1625
San Diego, California 92101
Email: sig.luther@gmail.com

Section 9.2 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

Section 9.3 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

Section 9.4 Choice of Law. This Agreement shall be governed by the laws of the State of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

Section 9.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any Person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other Person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

Section 9.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to BNM under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to BNM and nothing shall constitute a waiver by BNM of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

Section 9.7 Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached.

Section 9.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties. All amendments, changes, revisions and discharges of this Agreement,

in whole or in part, and from time to time shall be binding upon the parties despite any lack of legal consideration, so long as the same shall be in writing and executed by the parties hereto.

Section 9.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, nor is either party granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.

Section 9.10 Further Acts. Each party hereby agrees that it shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement, without cost, including the execution and delivery of such documents, and the doing of such acts or things as may be required to satisfy the requirements of the Escrow Agreement and for BNM to fully and adequately perform its investigations of the Escrow Account.

Section 9.11 Confidentiality. BNM acknowledges that certain information provided to BNM by each Credit Party is confidential and proprietary information of the Credit Party, if and to the extent such information either (x) is marked as confidential by at the time of disclosure, or (y) should reasonably be understood to be confidential (the "Confidential Information"). Accordingly, BNM agrees that any Confidential Information it may obtain in the course of evaluating a Credit Party shall not be disclosed to any other Person in any manner whatsoever, in whole or in part, without the prior written consent of such Credit Party, except that BNM may disclose any such information: (a) to its own general partner, officers, employees, accountants, counsel and other professional advisors and to its affiliates if BNM in its sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with the Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information; (b) if such information is generally available to the public; (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over BNM; (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by BNM's counsel; (e) to comply with any legal requirement or law applicable to BNM; (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement; (g) to any participant or assignee of BNM or any prospective participant or assignee; provided, that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 9.11 prior to disclosure; or (h) otherwise with the prior consent of such Credit Party; provided, that any disclosure made in violation of this Agreement shall not affect the obligations of any Credit Party or any of its Affiliates under this Agreement. As used in this Agreement, "Affiliate" means (1) ANI or (2) any person or entity (each a "Person") the Company controls, is controlled by, or under common control with.

Section 9.12 Assignment. BNM may sell or assign any part of any Loan[s] or any of its interest under this Agreement, and any other documents relating to this Agreement to any Person without the express written consent of the Company; however, any such assignment shall not be effective until BNM shall have delivered to the Company written notice of the assignment. After the effective date of any such assignment, such assignee shall be vested with all rights, powers and remedies of BNM hereunder with respect to the interest so assigned; but with respect to any such interest not so transferred, BNM shall retain all rights, powers and remedies hereby given. No such assignment by BNM shall relieve any Credit Party of any of its obligations hereunder.

Section 9.13 No Third-Party Beneficiaries. No provisions of this Agreement or any other documents relating thereto are intended, nor will be interpreted, to provide or create any third-party beneficiary rights or any other rights of any kind in any Person other than BNM and any Credit Party unless specifically provided otherwise herein, and, except as otherwise so provided, all provisions will be personal and solely between the BNM and the Company.

SECTION 10 – TRANSITION PROVISION

Section 10.1 Superseding Agreement. As of the Effective Date, this Agreement supersedes and replaces the Prior Agreements in their entirety, and the provisions of this Agreement shall apply with respect to all Loans made under the Prior Agreements.

Section 10.2 Existing Escrow Agreements. For all Escrow Agreements signed prior to the date hereof, BNM agrees that BNM will consent to revising such Escrow Agreements to be consistent with the terms and conditions of the form Escrow Agreement attached as Exhibit B to this Agreement, which means that (1) with respect to Escrow Agreements written under the \$1,300,000.00 Loan Agreement, the Escrow Agreements will be modified to state that only the principal amount of a Loan (not interest) will be disbursed by Escrow Holder directly to BNM, (2) with respect to Escrow Agreements written under the \$700,00.00 Loan Agreement, Escrow Holder will disburse directly to BNM (not the Company) from the Escrow Account the principal amount of the Loan related to such Escrow Account and (3) and with respect to both of the Prior Agreements, the outside date for disbursement from an Escrow Account is changed from 240 days to 270 days.

[THE REST OF THE PAGE IS INTENTIONALLY BLANK]

Signature Page to Loan and Guaranty Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers and representatives as of the day and year first written above.

KIM FUNDING, LLC, as the Company

By _____
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor

Kim H. Peterson

Behnam Malekkhosravi

Noushin Malekkhosravi

Exhibit A

LOAN REQUEST

Date: _____

To: Behnam Malekkhosravi
Noushin Malekkhosravi
6849 County Club Drive
La Jolla, California 92037
Email: noushin10@gmail.com
With copy to: cyrusmoj@gmail.com

Kim Funding, LLC ("Borrower"), hereby requests from Behnam Malekkhosravi and Noushin Malekkhosravi, husband and wife ("BNM"), a Loan in the amount of \$_____ on _____, 20__ (the "Loan Date") pursuant to the Loan and Guaranty Agreement between Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please: Wire Funds to the Escrow Account

Escrow Agent: Chicago Title Company
Bank Name: Union Bank
Bank Address: 1980 Saturn Street, Monterey Park, California 91756
International Swift Code: BOFCUS33MPK
ABA Number: 122000496
Account Number: 0010425492
Account Name: Chicago Title Company
Reference: Escrow/Title Order No. 48237-DD (for escrows opened in 2016)
Escrow Office Name: Della Ducharme Unit

Borrower represents that the conditions precedent to the Loan set forth in the Agreement are satisfied and shall be satisfied upon the making of such Loan, including but not limited to: (i) that no event that has had or could reasonably be expected to have a material adverse effect has occurred and is continuing; (ii) that the representations and warranties set forth in the Agreement are and shall be true and correct in all material respects on and as of the Loan Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date; (iii) that Borrower is in compliance with all the

terms and provisions set forth in each Loan Document on its part to be observed or performed; and (iv) that as of the Loan Date, no fact or condition exists that would (or would, with the passage of time, the giving of notice, or both) constitute an Event of Default under the Loan Documents. Borrower understands and acknowledges that BNM has the right to review the financial information supporting this representation and BNM may decline to fund the requested Loan if following such review BNM reasonably concludes such representation is not accurate in any material respect.

Borrower hereby represents that Borrower's corporate status and locations have not changed since the date of the Agreement.

Borrower agrees to notify BNM promptly before the funding of the Loan if any of the matters which have been represented above were not true and correct on the Loan Date, and if BNM has received no such notice before the Loan Date, then the statements set forth above shall be deemed to have been made and shall be deemed to be true and correct as of the Loan Date.

Executed as of _____, 20__

KIM FUNDING, LLC

By _____
Kim H. Peterson, Manager

Exhibit B

Escrow No. _____

Chicago Title Company
701 B Street, Suite 760,
San Diego, CA 92101

Date: _____

ESCROW AGREEMENT
(Holding Funds)

This Escrow Agreement ("Agreement") is made and entered into as of the above date by and between ANI Development, LLC, a California limited liability company ("Lender"), and Chicago Title Company, a California corporation ("Escrow Holder").

R E C I T A L S

Lender desires to deposit certain funds and direct others to deposit certain funds (the "Deposit") into this Escrow and to provide Escrow Holder with written instructions setting forth the conditions under which Escrow Holder will invest and hold the funds and ultimately disburse them.

Lender and Escrow Holder understand that this is a limited escrow only and is being opened for the benefit of _____ ("Applicant"), who is applying for a License to be issued by the California Alcoholic and Beverage Control ("ABC") under Business and Professions Code sections 24070-24082, pursuant to the transfer of License No. _____ to the Applicant.

NOW, THEREFORE, the parties agree as follows:

A G R E E M E N T S

Deposit. Upon the opening of this Escrow, Lender deposited or promptly will deposit a total sum of \$ _____ ("the Deposit") with Escrow Holder for the refundable deposit of ABC License _____. The source of funds for the Deposit shall be from an account at Wells Fargo Bank in the name of Behnam Malekkhosravi and Noushin Malekkhosravi. Escrow Holder will do the following:

Invest Funds. Place the Deposit into an interest bearing account with all interest accruing to the account of Lender. Concurrently herewith, Lender will provide Escrow Holder with the required IRS Form W-9 and Investment Instructions required to establish such account.

226 Form. Escrow Holder to send to ABC Form 226 upon receipt of Deposit.

Release of the Initial Deposit. During the term of the Escrow, Escrow Holder will disburse the Deposit only upon the written instructions of the Lender. During the term of this Escrow, upon the written instructions from Lender, Escrow Holder will disburse the Deposit amount to the following account:

Custodian/Broker: Wells Fargo Bank
Address: 7714 Girard Avenue, La Jolla, California 92037
ABA Number : 121000248
Account Number: 6351355596
Account Name: Malekkhosravi Trust

After making the above disbursement, all remaining funds shall be disbursed to Lender. Upon receipt of such instructions, Escrow Holder's only duty is to comply with said instructions and to disburse the Deposit amount as requested by Lender and in accordance with this Escrow Agreement.

Escrow Holder's Requirement to Terminate Escrow. Escrow Holder shall terminate this Escrow upon the Instructions of Lender or 270 days after the Escrow has been opened, unless requested to do otherwise by the Lender. At the time that this Escrow is terminated, the Deposit and, as instructed by the Lender, shall be disbursed to the Behnam Malekkhosravi and Noushin Malekkhosravi account referenced above, and all remaining funds shall be disbursed to Lender unless otherwise directed, less Escrow Holder's unpaid fees.

Escrow Holder's Fee. Lender shall pay to Escrow Holder a fee in the amount of \$1,000.00 for Escrow Holder's services provided in connection with this Escrow, which fee shall be paid \$500.00 upon Escrow Holder's receipt of the Deposit and \$500.00 upon Escrow Holder's release of the Deposit.

Escrow Holder's General Provisions. By signature hereon, Lender approves Escrow Holder's General provisions, a copy of which is attached to this Agreement as Exhibit "A" and are incorporated by reference as if fully set forth in this Section.

Third Party Beneficiary. The Lender and the Escrow Holder agree that Behnam Malekkhosravi and Noushin Malekkhosravi shall be, and are hereby, named an express third party beneficiary of this Agreement, with full rights as such. The language of this Agreement relating to "Release of Deposit" and "Escrow Holder's Requirement to Terminate Escrow" cannot be amended without the advance written consent of the Behnam Malekkhosravi and Noushin Malekkhosravi.

IN WITNESS WHEREOF, this Escrow Agreement has been executed by the parties effective as of the date indicated above.

LENDER

ANI Development, LLC,
a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

By _____
Gina Champion-Cain

ESCROW HOLDER

Chicago Title Company,
a California corporation

By _____
Wendy Reynolds

Signature Page to Loan and Guaranty Agreement


IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly execute
their respective authorized officers and representatives as of the day and year first written abo

KIM FUNDING, LLC, as the Company

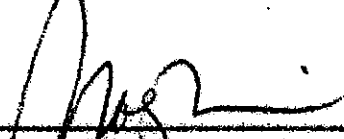
By  9/12/16
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor

 9/12/16
Kim H. Peterson


Behnam Malekkhosravi

9-11-2016


Noushin Malekkhosravi

Sept 11-2016

EXHIBIT 5

Second Amendment to Amended and Restated Loan Agreement

This Amendment, dated July 23, 2019, is executed by Kim Funding, LLC, a California limited liability company (the "Company"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about June 1, 2019, the Company and L'Audace executed that certain Amended and Restated Loan Agreement (the "Original Agreement"). The Original Agreement was previously amended by an amendment dated July 23, 2019. The Original Agreement, as amended, is herein referred to as "the Agreement."

B. In connection with the Company's execution of the Original Agreement, Kim H. Peterson ("Guarantor") executed and delivered to L'Audace a written guaranty of the Company's obligations under the Agreement (the "Guaranty").

C. By this Amendment, the Company and L'Audace desire to amend the terms of the Agreement, as provided below. Guarantor signs this Amendment to confirm that Guarantor's obligations under the Guaranty remain in effect with respect to the Agreement, as amended by this Amendment.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

1.1 Loan Advance. Subject to the terms of this Agreement Lender is willing to make, available to the Company \$7,750,000.00, which the Company may use only to fund Escrow Accounts ("the Loan").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.

KIM FUNDING, LLC, as the Company

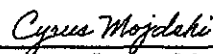
By


Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By 
Print name Cyrus Mojdehi
Title Manager

First Amendment to Amended and Restated Loan Agreement

This Amendment, dated **July 23, 2019**, is executed by Kim Funding, LLC, a California limited liability company (the "**Company**"), and L'Audace, LLC, a California limited liability company ("**L'Audace**"). This Amendment is executed with reference to the following facts:

A. On or about June 1, 2019, the Company and L'Audace executed that certain Amended and Restated Loan Agreement (the "**Agreement**").

B. In connection with the Company's execution of the Agreement, Kim H. Peterson ("**Guarantor**") executed and delivered to L'Audace a written guaranty of the Company's obligations under the Agreement (the "**Guaranty**").

C. By this Amendment, the Company and L'Audace desire to amend the terms of the Agreement, as provided below. Guarantor signs this Amendment to confirm that Guarantor's obligations under the Guaranty remain in effect with respect to the Agreement, as amended by this Amendment.

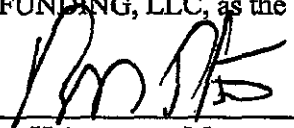
Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:


1.1 Loan Advance. Subject to the terms of this Agreement Lender is willing to make, available to the Company **\$7,450,000.00**, which the Company may use only to fund Escrow Accounts ("**the Loan**").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.

KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

L'Audace, LLC,
a California limited liability company

By 
Print name Cyrus Mojdehi
Title Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

AMENDED AND RESTATED LOAN AGREEMENT

THIS AMENDED AND RESTATED LOAN AGREEMENT ("**this Agreement**") dated **June 1, 2019**, is entered into by Kim Funding, LLC, a California limited liability company (the "**Company**"), and L'Audace, LLC, a California limited liability company ("**Lender**").

RECITALS

Whereas the Company seeks financing, the proceeds of which will be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcohol Beverage Control as required by state regulations (each an "**Escrow Account**");

Whereas the Company has established and will continue to establish with Chicago Title ("**Escrow Holder**") Escrow Accounts pursuant to agreements (each, an "**Escrow Agreement**") to accept the proceeds of the Loan (defined below);

Whereas on or about December 23, 2015, the Company, Kim H. Peterson ("**Guarantor**"), and Lender executed that certain Loan and Guaranty Agreement by which Lender agreed to make available to the Company up to \$200,000.00 for the purposes described in such agreement.

Whereas the Company, Guarantor, and Lender made thirty amendments to such Loan and Guaranty Agreement, by which amendments Lender increased the amount made available by Lender to the Company to \$7,200,000.00 (the Original Agreement, as amended, is herein referred to as the "**Original Agreement**");

Whereas Lender continues to be willing to make a loan to the Company on the terms and conditions set forth in this Agreement, which terms supersede and replace the entirety of the Original Agreement, and subject to Guarantor's concurrent execution of a Guaranty in form and content as **Exhibit A** attached hereto.

In consideration of the mutual covenants contained herein, Lender hereby agrees to provide funds on the terms and conditions set forth below.

SECTION 1 – GENERAL TERMS

1.1 Loan Advance. Subject to the terms and conditions of the Original Agreement Lender made, and subject to the terms of this Agreement Lender is willing to continue to make, available to the Company \$7,200,000.00, which the Company may use only to fund Escrow Accounts ("**the Loan**").

1.2 Use of Proceeds. The Company represents, warrants and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "**License Applicant**") seeking authorization from the California Department of Alcoholic Beverage Control (the "**ABC**") to acquire by transfer a license issued by ABC.

1.3 Evidence of Indebtedness. The Company will make the payment specified in the provisions of this Agreement. Payments will be made in freely transferable funds and in the manner customary for payments in US dollars.

1.4 Term. Lender's obligation to fund the Loan shall cease on **May 31, 2022** ("**the Termination Date**"); however, if Lender elects not to require repayment of the Loan on the Termination Date, the terms and conditions of this Agreement shall continue to apply to the Loan until the Loan is paid in full.

1.5 Payment. The Company and Lender acknowledge and agree that the Company has paid to Lender all interest owed under the Original Agreement through March 31, 2019. All unpaid principal and unpaid accrued interest shall be due on the Termination Date. As used herein, "**Interest Payment Date**" means the tenth Calendar Day after January 1, April 1, July 1, and October 1 of each year this Agreement remains in effect. Commencing **July 10, 2019**, and continuing on each Interest Payment Date thereafter, the Company shall pay to Lender interest accrued during the preceding three calendar months. The Company reserves the right to prepay the Loan in whole or in part at any time(s) without penalty or additional charge. Notwithstanding the foregoing, Lender and the Company agree:

1.5.1 At any time on or after **March 1, 2021**, Lender may deliver to the Company a written notice (a "**Demand Notice**") that states (1) Lender desires that the Company prepay all or any portion of the unpaid principal and unpaid accrued interest owed with respect to the Loan and (2) the date on which Lender desires to receive such prepayment, which date must be at least **90 days** following the Company's receipt of the Demand Notice.

1.5.2 If Lender delivers to the Company a Demand Notice, then, on the date specified in the Demand Notice, the Company shall pay to Lender (1) all unpaid principal and unpaid accrued interest or (2) such lesser amount specified by Lender in the Demand Notice.

1.5.3 If Lender delivers a Demand Notice that demands payment of less than the full amount of all unpaid principal and unpaid accrued interest, then Lender may deliver one or more additional Demand Notices.

1.6 Interest Rate. The rate at which interest shall accrue on the unpaid principal balance of the Loan shall be (1) **ten percent** per annum for the portion of the outstanding Loan balance that equals or is less than \$4,775,000.00 and (2) **nine percent** per annum for the portion of the outstanding Loan balance in excess of \$4,775,000.00. The principal balance of the Loan shall bear interest thereon based on a year consisting of 365 days, with interest computed daily based on the actual number of days elapsed. Notwithstanding the foregoing, if for any reason (1) the agreement between ANI and the Company terminates or (2) Escrow Agreements have to be terminated as a consequence of an order or demand by ABC, California Department of Business Oversight or other governmental agency, then the interest rate on the Loan shall be the lesser of (1) the interest rate specified in the first sentence of this **Section 1.6** or (2) the actual

amount of points and interest paid by the License Applicants with respect to the Escrow Accounts funded with the proceeds of the Loan.

1.8 Maximum Interest. Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction shall finally determine that the Company has actually paid to Lender an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan, second, after all principal is repaid, to the payment of Lender's accrued interest, costs, expenses, professional fees, and third, the excess (if any) shall be refunded to the Company.

SECTION 2 - CONDITION PRECEDENT TO LOAN

Lender's obligation to make the Loan and allow the Loan proceeds to continue to be used to fund Escrow Accounts is subject to the conditions that the Loan proceeds shall be used solely to fund Escrow Accounts.

SECTION 3 - REPRESENTATIONS

3.1 Mutual Representations. Each party makes the representations that:

(a) If a party is not a natural person, it is duly organized and validly existing under the laws of the jurisdiction of formation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documents that are required by this Agreement, to deliver and to perform its obligations under this Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documents relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) No broker's or finder's fee or commission will be payable with respect to any Loan.

3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) This Agreement and all documents, certificates, and statements furnished or to be furnished to Lender by or on behalf of the Company in connection herewith do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein and therein not misleading. The Company knows no fact that materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to Lender by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

3.3 Lender Representations. Lender makes the representations that:

(a) It meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(b) It has the requisite knowledge and experience to assess the relative merits and risks of the Loans.

(c) It is aware that this Agreement and the Loans hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws, and is subject to restrictions on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – EVENTS OF DEFAULT

4.1 Defaults. The occurrence of any one or more of the following events shall constitute an "Event of Default":

(a) The Company timely fails to pay any payment due on the Loan.

(b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement.

(c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan.

(d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to Lender hereunder, proves to have been false in any material respect as of the time when made or given.

(e) The Company (i) becomes insolvent, or (ii) is unable to pay or admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors, or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets, or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent), or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enter into any formal or informal composition or arrangement with its creditors.

4.2 Effect of an Event of Default. If any Event of Default shall occur, then (1) at Lender's option, all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company and (2) Lender's obligations to fund additional Loans shall terminate.

SECTION 5 – EXPENSES AND REIMBURSEMENTS

5.1 Reimbursement. Following an Event of Default, the Company shall pay or reimburse Lender for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by Lender before and after judgment in enforcing, protecting or preserving its rights under this Agreement, the Loan, and other document required hereunder or thereunder.

5.2 Survival. The foregoing agreements and indemnities of this Section 5 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of any Loan made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 6 - MISCELLANEOUS

6.1 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail or overnight courier, addressed as follows:

If to Lender:

If to Lender by mail:

L'Audace, LLC
Post Office Box 8722
La Jolla, California 92037

If to Lender by other than mail:

L'Audace, LLC
6848 Country Club Drive
La Jolla, California 92037
Email: cyrusmoj@gmail.com

If to the Company:

KIM Funding, LLC
P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY FEDEX)

With a Copy to:

ANI Development, LLC
3515 Hancock, Unit 200
San Diego, CA 92110

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

6.3 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

6.4 Choice of Law. This Agreement shall be governed by the laws of the State of California. Any action arising under this Agreement shall be tried in the San Diego County

Superior Court and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

6.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

6.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to Lender under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to Lender and nothing shall constitute a waiver by Lender of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

6.7 Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached.

6.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties.

6.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, nor is either party granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.

6.10 Further Acts. Each party hereby agrees that it shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement.

6.11 Confidentiality. Lender acknowledges that certain information provided to Lender by the Company is confidential and proprietary information of the Company, if and to the extent such information either (x) is marked as confidential by at the time of disclosure, or (y) should reasonably be understood to be confidential (the "**Confidential Information**"). Accordingly, Lender agrees that any Confidential Information it may obtain in the course of evaluating the Company shall not be disclosed to any other person in any manner whatsoever, in

whole or in part, without the prior written consent of the Company, except that Lender may disclose any such information: (a) to its own general partner, officers, employees, accountants, counsel and other professional advisors and to its affiliates if Lender in its sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with a Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over Lender, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Lender's counsel, (e) to comply with any legal requirement or law applicable to Lender, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement, (g) to any participant or assignee of Lender or any prospective participant or assignee, provided, that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 6.11 prior to disclosure; or (h) otherwise with the prior consent of the Company; provided, that any disclosure made in violation of this Agreement shall not affect the obligations of the Company or any of its Affiliates under this Agreement.

6.12 Noncompete. During the term of this Agreement and for a period of five years following expiration or termination of this Agreement, Lender and Lender's affiliates shall not within California directly or indirectly engage in the business of making loans to persons seeking approval from ABC for transfers of licenses issued by ABC. The prohibition in the preceding sentence includes any and all activities by Lender or Lender's affiliates as an agent, partner, member, shareholder, owner, consultant, or lender to any business engaged in providing loans to persons seeking ABC's approval for transfers of licenses issued by ABC.

[THE REST OF THIS PAGE IS INTENTIONALLY BLANK]

SIGNATURE PAGE TO AMENDED AND RESTATED LOAN AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers and representatives as of the day and year first written above.

Kim Funding LLC

By 

Kim H. Peterson, Manager

L'Audace, LLC,
a California limited liability company

By Cyrus Mojdehi

Print name Cyrus Mojdehi

Title Manager

Exhibit A

Guaranty

As a material inducement to and in consideration of L'Audace, LLC, a California limited liability company ("Lender") entering into that certain Amended and Restated Loan Agreement dated June 1, 2019 (the "Loan Agreement"), the undersigned ("Guarantor") unconditionally guaranties the full performance of each and all of the terms, covenants, and conditions of the Loan Agreement to be performed by KIM Funding, LLC, a California limited liability company ("KIM"), including payment of all principal, interest, and other charges accruing thereunder.

Guarantor waives the benefit of any statute of limitations affecting the Guarantor's liability under this Guaranty.

The provisions of the Loan Agreement may be changed by agreement between Lender and KIM at any time or by course of conduct without the consent of or notice to Guarantor, in which event this Guaranty shall guaranty the performance of the Loan Agreement, as amended.

Lender may without notice assign this Guaranty in whole or in part. No assignment or transfer of the Loan Agreement or any interest therein shall operate to extinguish or diminish the liability of Guarantor hereunder.

This Guaranty shall not be affected by Lender's failure or delay to enforce any of Lender's rights.

If KIM defaults under the Loan Agreement, Lender may proceed immediately against Guarantor or KIM or both, or Lender may enforce against Guarantor or KIM or both any rights that Lender has under the Loan Agreement or pursuant to any applicable laws. If the Loan Agreement terminates and Lender has any rights that Lender can enforce against KIM after termination, Lender shall be entitled to enforce those rights against Guarantor without giving previous notice to KIM or Guarantor and without making any demand on either of them.

Guarantor waives the right to require Lender to (1) proceed against KIM, (2) proceed against or exhaust any security that Lender holds from KIM, or (3) pursue any other remedy in Lender's power. Guarantor waives any defense by reason of any disability of KIM and any defense based on the termination of KIM's liability from any cause. Guarantor acknowledges that this Guaranty will continue unchanged by any bankruptcy, reorganization or insolvency of KIM or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of KIM. Until all of KIM's obligations to Lender have been discharged in full, Guarantor waives any right of subrogation Guarantor may have against KIM. Guarantor waives Guarantor's right to enforce any remedies that Lender now has or may later have against KIM. Guarantor waives any right to participate in any security now or later held by Lender. Guarantor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor and notices of acceptance of this Guaranty, and all notices of the existence, creation, or incurring of new or additional obligations.

Guarantor shall pay to Lender all costs, including, without limitation, reasonable attorney's fees incurred in the enforcement of the obligations hereby guaranteed or the enforcement of this Guaranty.

The terms and provision of this Guaranty shall be binding upon and inure to the benefit of the respective successors and assigns of Lender and Guarantor.

Dated: June 1, 2019

Guarantor:



Kim H. Peterson

Guarantor's Address for Notice:

P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY FEDEX OR PERSONAL SERVICE)

Thirtieth Amendment to Loan and Guaranty Agreement

This Amendment, dated May 22, 2018, is executed by Kim Funding, LLC, a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, October 10, 2016, November 21, 2016, December 7, 2016, December 13, 2016, December 22, 2016, January 25, 2017, January 31, 2017, February 22, 2017, March 9, 2017, March 16, 2017, March 28, 2017, April 3, 2017, April 20, 2017, May 25, 2017, June 13, 2017, July 25, 2017, July 28, 2017, August 4, 2017, August 10, 2017, September 13, 2017, February 9, 2018, May 1, 2018, and May 15, 2019, the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

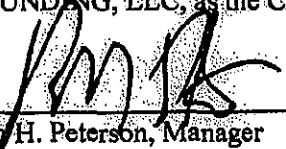
Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to \$7,200,000.00 as of the effective date of this Agreement (the "Effective Date") upon which the Company may draw from time to time pursuant to multiple loans (each a "Loan").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.

KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By 
Print name Cyrus Mojdehi
Title Manager

Twenty-Ninth Amendment to Loan and Guaranty Agreement

This Amendment, dated May 15, 2019, is executed by Kim Funding, LLC., a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, October 10, 2016, November 21, 2016, December 7, 2016, December 13, 2016, December 22, 2016, January 25, 2017, January 31, 2017, February 22, 2017, March 9, 2017, March 16, 2017, March 28, 2017, April 3, 2017, April 20, 2017, May 25, 2017, June 13, 2017, July 25, 2017, July 28, 2017, August 4, 2017, August 10, 2017, September 13, 2017, February 9, 2018, and May 1, 2018, the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Increase to Loan Amount. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to \$6,900,000.00 as of the effective date of this Agreement (the "Effective Date") upon which the Company may draw from time to time pursuant to multiple loans (each a "Loan").

2. Interest Rate. Section 1.6 of the Agreement (as previously amended by the Sixth and Twenty-Seventh amendments) is deleted in its entirety and the following substituted therefor:

Section 1.6 Interest Rate. The Company and L'Audace acknowledge and agree that the Company has paid to L'Audace all interest owed under the Agreement through December 31, 2018. Commencing January 1, 2019, the interest rate shall be (1) ten percent per annum for the portion of the outstanding Loan balances that are equal to or less than \$4,775,000.00 and (2) nine percent per annum for the portion of the outstanding Loan balances that are in excess of \$4,775,000.00. The principal balance of each Loan shall bear interest thereon from the Loan Date of the Loan, based on a year consisting of 365 days, with interest computed daily based on the actual number of days elapsed. Notwithstanding the foregoing, if for any reason (1) the agreement between ANI and the Company terminates or (2) Escrow Agreements have to be terminated as a consequence of an order or

demand by ABC, California Department of Business Oversight or other governmental agency; then the interest rate on all Loans then outstanding shall be reduced to 5 percent per annum retroactive to the Loan Date for each Loan.

3. Confirmation. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.

KIM FUNDING, LLC, as the Company


By


Kim M. Peterson, Manager


L'Audace, LLC,

a California limited liability company

By


Print name: Cyrus Mojdehi
Title: Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L' Audace

Twenty-Eighth Amendment to Loan and Guaranty Agreement

This Amendment, dated April 30, 2018, is executed by Kim Funding, LLC, a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, October 10, 2016, November 21, 2016, December 7, 2016, December 13, 2016, December 22, 2016, January 25, 2017, January 31, 2017, February 22, 2017, March 9, 2017, March 16, 2017, March 28, 2017, April 3, 2017, April 20, 2017, May 25, 2017, June 13, 2017, July 25, 2017, July 28, 2017, August 4, 2017, August 10, 2017, September 13, 2017, and February 9, 2018, the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to \$6,100,000.00 as of the effective date of this Agreement (the "Effective Date") upon which the Company may draw from time to time pursuant to multiple loans (each a "Loan").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.

KIM FUNDING, LLC as the Company

By 
Kim H. Peterson, Manager

L'Audace, LLC,
a California limited liability company

By 
Print name Cyrus Mojdehi
Title Manager

KIM H. PETERSON, person, as Guarantor


Kim H. Peterson

Corrected
4/6/18

Twenty-Seventh Amendment to Loan and Guaranty Agreement

This Amendment, dated February 9, 2018, is executed by Kim Funding, LLC., a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, October 10, 2016, November 21, 2016, December 7, 2016, December 13, 2016, December 22, 2016, January 25, 2017, January 31, 2017, February 22, 2017, March 9, 2017, March 16, 2017, March 28, 2017, April 3, 2017, April 20, 2017, May 25, 2017, June 13, 2017, July 25, 2017, July 28, 2017, August 4, 2017, August 10, 2017, and September 13, 2017, the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to **\$5,775,000.00** as of the effective date of this Agreement (the "Effective Date") upon which the Company may draw from time to time pursuant to multiple loans (each a "Loan").

2. Section 1.5 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.5 Term. L'Audace's obligation to fund Loans shall cease on the date ("the Termination Date") that is the earlier of (1) the date on which the agreement between ANI and the Company terminates or (2) the third anniversary of the Effective Date; however, if L'Audace elects to fund Loans after the Termination Date, the terms and conditions of this Agreement shall continue to apply to all Loans funded by L'Audace. As used herein, "Due Date" for a Loan means the date that is three Business Days following the earliest of (1) the date the License Applicant delivers to Escrow Holder the License Applicant's funds to replace the principal amount of the Loan for the required deposit to complete the license transfer to the License Applicant, (2) the date the License Applicant's license transfer escrow is terminated because ABC disapproved the License

Applicant's transfer application, or (3) the date that is 365 days after the Loan Date for such Loan. The Company shall be obligated to pay L'Audace the principal and accrued interest on each Loan on the Due Date for such Loan.

3. Section 1.6 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.6 Interest Rate. Prior to January 1, 2018, the interest rate shall be eleven percent (11%) per annum of the principal amount of the Loans. Commencing January 1, 2018, the interest rate shall be ten percent (10%) on the aggregate balance from time to time outstanding with respect to the First Tier Loans (defined below). Commencing February 15, 2018, the interest rate shall be nine percent (9%) on the aggregate balance from time to time outstanding with respect to the Second Tier Loans (defined below). The following terms shall have the following meaning:

"First Tier Loans" shall mean collectively (1) Loans funded prior to February 15, 2018, from \$4,775,000.00 funds provided by L'Audace and (2) new Loans funded on and after February 15, 2018, from such funds.

"Second Tier Loans" shall mean collectively (1) Loans funded on and after February 15, 2018, from \$1,000,000 additional funds provided by L'Audace pursuant to the Twenty-Seventh Amendment to this Agreement and (2) new Loans funded from such funds.

The principal balance of each Loan shall bear interest thereon from the Loan Date of the Loan, based on a year consisting of 365 days, with interest computed daily based on the actual number of days elapsed. Notwithstanding the foregoing, if for any reason (1) the agreement between ANI and the Company terminates or (2) Escrow Agreements have to be terminated as a consequence of an order or demand by ABC, California Department of Business Oversight or other governmental agency, then the interest rate on all Loans then outstanding shall be reduced to 5 percent per annum retroactive to the Loan Date for each Loan.

4. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.

Signature Page Follows

Signature Page to Twenty-Seventh Amendment to Loan and Guaranty Agreement


KIM FUNDING, LLC, as the Company

By


Kim H. Peterson, Manager

L'Audace, LLC,
a California limited liability company

By


Print name Cyrus Mojdehi

Title Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

Twenty-Sixth Amendment to Loan and Guaranty Agreement

This Amendment, dated **September 13, 2017**, is executed by Kim Funding, LLC., a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, October 10, 2016, November 21, 2016, December 7, 2016, December 13, 2016, December 22, 2016, January 25, 2017, January 31, 2017, February 22, 2017, March 9, 2017, March 16, 2017, March 28, 2017, April 3, 2017, April 20, 2017, May 25, 2017, June 13, 2017, July 25, 2017, July 28, 2017, August 4, 2017, and August 10, 2017, the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to **\$4,775,000.00** as of the effective date of this Agreement (the "Effective Date") upon which the Company may draw from time to time pursuant to multiple loans (each a "Loan").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.

KIM FUNDING, LLC as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By 
Print name: Cyrus Mojdehi
Title: Manager

Twenty-Fifth Amendment to Loan and Guaranty Agreement

This Amendment, dated August 10, 2017, is executed by Kim Funding, LLC., a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, October 10, 2016, November 21, 2016, December 7, 2016, December 13, 2016, December 22, 2016, January 25, 2017, January 31, 2017, February 22, 2017, March 9, 2017, March 16, 2017, March 28, 2017, April 3, 2017, April 20, 2017, May 25, 2017, June 13, 2017, July 25, 2017, July 28, 2017, and August 4, 2017 the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

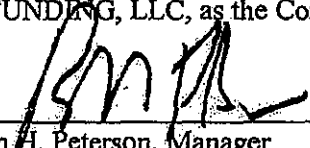
Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

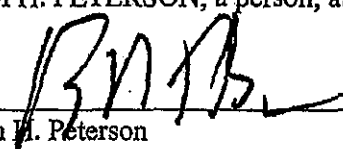
Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to \$4,525,000.00 as of the effective date of this Agreement (the "Effective Date") upon which the Company may draw from time to time pursuant to multiple loans (each a "Loan").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.


KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By 
Print name Cyrus Mojdehi
Title Manager

Twenty-Fourth Amendment to Loan and Guaranty Agreement

This Amendment, dated August 4, 2017, is executed by Kim Funding, LLC., a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, October 10, 2016, November 21, 2016, December 7, 2016, December 13, 2016, December 22, 2016, January 25, 2017, January 31, 2017, February 22, 2017, March 9, 2017, March 16, 2017, March 28, 2017, April 3, 2017, April 20, 2017, May 25, 2017, June 13, 2017, July 25, 2017, and July 28, 2017, the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to \$4,150,000.00 as of the effective date of this Agreement (the "Effective Date") upon which the Company may draw from time to time pursuant to multiple loans (each a "Loan").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.


KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By 
Print name Cyrus Mojdehi
Title Manager

Twenty-Third Amendment to Loan and Guaranty Agreement

This Amendment, dated **July 28, 2017**, is executed by Kim Funding, LLC, a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, October 10, 2016, November 21, 2016, December 7, 2016, December 13, 2016, December 22, 2016, January 25, 2017, January 31, 2017, February 22, 2017, March 9, 2017, March 16, 2017, March 28, 2017, April 3, 2017, April 20, 2017, May 25, 2017, June 13, 2017, and July 25, 2017, the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

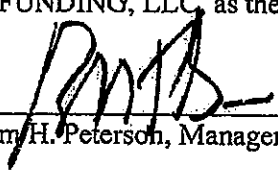
Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:


Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to **\$4,100,000.00** as of the effective date of this Agreement (the "Effective Date") upon which the Company may draw from time to time pursuant to multiple loans (each a "Loan").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.

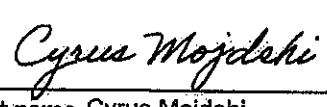
KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By 
Print name Cyrus Mojdehi
Title Manager

Twenty-Second Amendment to Loan and Guaranty Agreement

This Amendment, dated July 25, 2017, is executed by Kim Funding, LLC., a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, October 10, 2016, November 21, 2016, December 7, 2016, December 13, 2016, December 22, 2016, January 25, 2017, January 31, 2017, February 22, 2017, March 9, 2017, March 16, 2017, March 28, 2017, April 3, 2017, April 20, 2017, May 25, 2017, and June 13, 2017, the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.


Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to **\$3,600,000.00** as of the effective date of this Agreement (the "Effective Date") upon which the Company may draw from time to time pursuant to multiple loans (each a "Loan").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.


KIM FUNDING, LLC, the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By 
Print name Cyrus Mojdehi
Title Manager

Twenty-First Amendment to Loan and Guaranty Agreement

This Amendment, dated **June 13, 2017**, is executed by Kim Funding, LLC., a California limited liability company (the "**Company**"), Kim H. Peterson ("**Guarantor**"), and L'Audace, LLC, a California limited liability company ("**L'Audace**"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("**the Original Agreement**") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, October 10, 2016, November 21, 2016, December 7, 2016, December 13, 2016, December 22, 2016, January 25, 2017, January 31, 2017, February 22, 2017, March 9, 2017, March 16, 2017, March 28, 2017, April 3, 2017, April 20, 2017, and May 25, 2017, the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "**the Agreement**."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

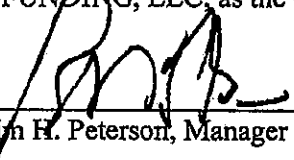
Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to **\$3,500,000.00** as of the effective date of this Agreement (the "**Effective Date**") upon which the Company may draw from time to time pursuant to multiple loans (each a "**Loan**").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.


KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By 
Print name Cyrus Mojdehi
Title Manager

Twentieth Amendment to Loan and Guaranty Agreement

This Amendment, dated **May 25, 2017**, is executed by Kim Funding, LLC., a California limited liability company (the "**Company**"), Kim H. Peterson ("**Guarantor**"), and L'Audace, LLC, a California limited liability company ("**L'Audace**"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("**the Original Agreement**") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, October 10, 2016, November 21, 2016, December 7, 2016, December 13, 2016, December 22, 2016, January 25, 2017, January 31, 2017, February 22, 2017, March 9, 2017, March 16, 2017, March 28, 2017, April 3, 2017, and April 20, 2017 the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "**the Agreement**."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

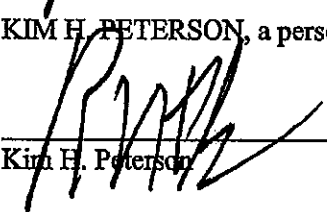
Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to **\$3,175,000.00** as of the effective date of this Agreement (the "**Effective Date**") upon which the Company may draw from time to time pursuant to multiple loans (each a "**Loan**").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.


KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By 
Print name Cyrus Mojdehi
Title Manager

Nineteenth Amendment to Loan and Guaranty Agreement

This Amendment, dated April 20, 2017, is executed by Kim Funding, LLC., a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, October 10, 2016, November 21, 2016, December 7, 2016, December 13, 2016, December 22, 2016, January 25, 2017, January 31, 2017, February 22, 2017, March 9, 2017, March 16, 2017, March 28, 2017, April 3, 2017, the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to \$3,125,000.00 as of the effective date of this Agreement (the "Effective Date") upon which the Company may draw from time to time pursuant to multiple loans (each a "Loan").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.


KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By 
Print name Cyrus Moradkhani
Title Manager

Eighteenth Amendment to Loan and Guaranty Agreement

This Amendment, dated April 3, 2017, is executed by Kim Funding, LLC, a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, October 10, 2016, November 21, 2016, December 7, 2016, December 13, 2016, December 22, 2016, January 23, 2017, January 31, 2017, February 22, 2017, March 9, 2017, March 16, 2017, and March 28, 2017, the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to \$2,325,000.00 as of the effective date of this Agreement (the "Effective Date") upon which the Company may draw from time to time pursuant to multiple loans (each a "Loan").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.

KIM FUNDING, LLC, as the Company

By [Signature]
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor

[Signature]
Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By [Signature]
Print name Cyndi Mojica
Title Manager

Seventeenth Amendment to Loan and Guaranty Agreement

This Amendment, dated **March 28, 2017**, is executed by Kim Funding, LLC, a California limited liability company (the "**Company**"), Kim H. Peterson ("**Guarantor**"), and L'Audace, LLC, a California limited liability company ("**L'Audace**"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("**the Original Agreement**") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, October 10, 2016, November 21, 2016, December 7, 2016, December 13, 2016, December 22, 2016, January 25, 2017, January 31, 2017, February 22, 2017, March 9, 2017, and March 16, 2017, the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "**the Agreement**."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

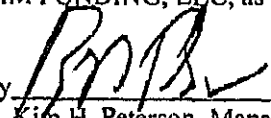
Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to **\$2,225,000.00** as of the effective date of this Agreement (the "**Effective Date**") upon which the Company may draw from time to time pursuant to multiple loans (each a "**Loan**").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.

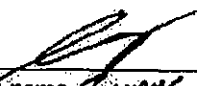
KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By 
Print name Lynne Mordche
Title Manager

Sixteenth Amendment to Loan and Guaranty Agreement

This Amendment, dated March 16, 2017, is executed by Kim Funding, LLC., a California limited liability company (the "**Company**"), Kim H. Peterson ("**Guarantor**"), and L'Audace, LLC, a California limited liability company ("**L'Audace**"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("**the Original Agreement**") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, October 10, 2016, November 21, 2016, December 7, 2016, December 13, 2016, December 22, 2016, January 25, 2017, January 31, 2017, February 22, 2017, and March 9, 2017, the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "**the Agreement**."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

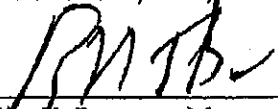
Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:


Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to **\$1,925,000.00** as of the effective date of this Agreement (the "**Effective Date**") upon which the Company may draw from time to time pursuant to multiple loans (each a "**Loan**").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.


KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By 
Print name Consuelo de la Cruz
Title Manager

Fifteenth Amendment to Loan and Guaranty Agreement

This Amendment, dated March 9, 2017, is executed by Kim Funding, LLC., a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, October 10, 2016, November 21, 2016, December 7, 2016, December 13, 2016, December 22, 2016, January 25, 2017, January 31, 2017, and February 22, 2017, the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to \$1,825,000.00 as of the effective date of this Agreement (the "Effective Date") upon which the Company may draw from time to time pursuant to multiple loans (each a "Loan").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.

KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By _____
Print name _____
Title _____

Fourteenth Amendment to Loan and Guaranty Agreement

This Amendment, dated February 22, 2017, is executed by Kim Funding, LLC., a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, October 10, 2016, November 21, 2016, December 7, 2016, December 13, 2016, December 22, 2016, January 25, 2017, and January 31, 2017, the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to \$1,775,000.00 as of the effective date of this Agreement (the "Effective Date") upon which the Company may draw from time to time pursuant to multiple loans (each a "Loan").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.

KIM FUNDING, LLC, as the Company


By 

Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By 

Print name Cyrus Moldehl

Title Manager

Thirteenth Amendment to Loan and Guaranty Agreement

This Amendment, dated January 31, 2017, is executed by Kim Funding, LLC., a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, October 10, 2016, November 21, 2016, December 7, 2016, December 13, 2016, December 22, 2016, and January 25, 2017, the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.


Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:


Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to **\$1,550,000.00** as of the effective date of this Agreement (the "Effective Date") upon which the Company may draw from time to time pursuant to multiple loans (each a "Loan").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.


KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By 
Print name Constance Delator
Title manager

Twelfth Amendment to Loan and Guaranty Agreement

This Amendment, dated January 25, 2017, is executed by Kim Funding, LLC., a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, October 10, 2016, November 21, 2016, December 7, 2016, December 13, 2016, and December 22, 2016, the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to \$1,350,000.00 as of the effective date of this Agreement (the "Effective Date") upon which the Company may draw from time to time pursuant to multiple loans (each a "Loan").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.


KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By 
Print name Cyrus Mojdehi
Title Manager

Twelfth Amendment to Loan and Guaranty Agreement

This Amendment, dated January 25, 2017, is executed by Kim Funding, LLC., a California limited liability company (the "**Company**"), Kim H. Peterson ("**Guarantor**"), and L'Audace, LLC, a California limited liability company ("**L'Audace**"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("**the Original Agreement**") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, October 10, 2016, November 21, 2016, December 7, 2016, December 13, 2016, and December 22, 2016, the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "**the Agreement**."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

Based upon the above recitals and the mutual agreements stated below, the parties agree:


1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to \$1,350,000.00 as of the effective date of this Agreement (the "**Effective Date**") upon which the Company may draw from time to time pursuant to multiple loans (each a "**Loan**").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.

KIM FUNDING, LLC, as the Company

By


Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,

a California limited liability company

By

Print name

Title

Eleventh Amendment to Loan and Guaranty Agreement

This Amendment, dated December 22, 2016, is executed by Kim Funding, LLC., a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, October 10, 2016, November 21, 2016, December 7, 2016, and December 13, 2016, the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to \$1,250,000.00 as of the effective date of this Agreement (the "Effective Date") upon which the Company may draw from time to time pursuant to multiple loans (each a "Loan").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.

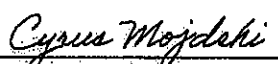
KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By 
Print name Cyrus Mojdehi
Title Manager

Tenth Amendment to Loan and Guaranty Agreement

This Amendment, dated December 13, 2016, is executed by Kim Funding, LLC, a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, October 10, 2016, November 21, 2016, and December 7, 2016, the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

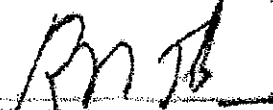
Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to \$1,150,000.00 as of the effective date of this Agreement (the "Effective Date") upon which the Company may draw from time to time pursuant to multiple loans (each a "Loan").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed


KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By 
Print Name Cyrus Mojdehi
Title Manager

Ninth Amendment to Loan and Guaranty Agreement

This Amendment, dated December 7, 2016, is executed by Kim Funding, LLC., a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, October 10, 2016, and December 7, 2016, the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to **\$1,050,000.00** as of the effective date of this Agreement (the "Effective Date") upon which the Company may draw from time to time pursuant to multiple loans (each a "Loan").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.

KIM FUNDING, LLC, as the Company

By [Signature]
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor

[Signature]
Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By [Signature]
Print name Cynthia M. Del...
Title Manager

Eighth Amendment to Loan and Guaranty Agreement

This Amendment, dated November 21, 2016, is executed by Kim Funding, LLC., a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, August 24, 2016, and October 10, 2016, the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to \$950,000.00 as of the effective date of this Agreement (the "Effective Date") upon which the Company may draw from time to time pursuant to multiple loans (each a "Loan").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.

KIM FUNDING, LLC, as the Company

By [Signature]
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor

[Signature]
Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By [Signature]
Print name C. Cynsmondeh
Title Manager

Seventh Amendment to Loan and Guaranty Agreement

This Amendment, dated October 10, 2016, is executed by Kim Funding, LLC., a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, August 13, 2016, and August 24, 2016, the parties amended the Original Agreement to increase such amount and make other amendments to the terms of the Original Agreement. The Original Agreement and such amendments are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

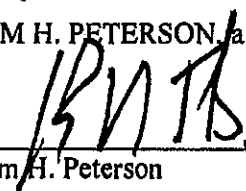
Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to **\$850,000.00** as of the effective date of this Agreement (the "Effective Date") upon which the Company may draw from time to time pursuant to multiple loans (each a "Loan").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.


KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By 
Print name Cyrus Mojdehi
Title Manager

Sixth Amendment to Loan and Guaranty Agreement

This Amendment, dated August 24, 2016, is executed by Kim Funding, LLC., a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, July 29, 2016, and August 13, 2016, the parties amended the Original Agreement to increase such amount. The Original Agreement and such amendments are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.4 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.4 Evidence of Indebtedness and Principal Payment. For each Loan Request, the Company will make the payment specified in the provisions of this Agreement. Payment of principal owed under a Loan will be made on the Due Date (defined below) in freely transferable funds and in the manner customary for payments in US dollars ("Cash"). Payment of interest will be made as provided in Section 1.6 of this Agreement.

2. Section 1.5 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.5 Term. L'Audace's obligation to fund Loans shall cease on the date ("the Termination Date") that is the earlier of (1) the date on which the agreement between ANI and the Company terminates or (2) the second anniversary of the Effective Date; however, if L'Audace elects to fund Loans after the Termination Date, the terms and conditions of this Agreement shall continue to apply to all Loans funded by L'Audace. As used herein, "Due Date" for a Loan means the date that is three Business Days following the earliest of (1) the date the License Applicant delivers to Escrow Holder the License Applicant's funds to replace the principal amount of the Loan for the required deposit to complete the license transfer to the License Applicant, (2) the date the License Applicant's license transfer escrow is terminated because ABC disapproved the License Applicant's transfer application, or (3) the date that is 270 days after the Loan Date for such Loan. The Company shall be obligated to pay L'Audace the principal on each Loan on the Due Date for such Loan.

3. Section 1.6 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.6 Interest Rate and Payment. The interest rate shall be eleven percent (11%) per annum of the principal amount of the Loan. The principal balance of each Loan shall bear interest thereon from the Loan Date of the Loan, based on a year consisting of 365 days, with interest computed daily based on the actual number of days elapsed. Prior to the later of the Termination Date or the date on which all principal on all Loans has been paid, interest shall be paid for each calendar quarter on or before the tenth day following the end of the calendar quarter for which interest is being paid. Within 30 days following the later of the Termination Date or the date on which all principal on all Loans has been paid, Company shall pay all remaining unpaid interest. As used herein, calendar quarter means each three-month period commencing January 1 of each year (e.g., the first calendar quarter is January 1 through March 31), and interest payments shall be due on or before April 10, July 10, October 10 and January 10 for the first, second, third and fourth calendar quarters, respectively. Notwithstanding the foregoing, if for any reason (1) the agreement between ANI and the Company terminates or (2) Escrow Agreements have to be terminated as a consequence of an order or demand by ABC, California Department of Business Oversight or other governmental agency, then (i) the interest rate on all Loans then outstanding shall be reduced to 5 percent per annum retroactive to the Loan Date for each Loan and (ii) if as of the date of such occurrence the amount Company has paid in quarterly interest payments on such outstanding loans exceeds the amount of interest actually due, based upon the reduced interest rate, L'Audace shall refund to Company such excess within 20 days after Company notifies L'Audace of the amount owed for such excess interest. Nothing contained in the preceding sentence shall require L'Audace to refund to the Company any interest on Loans for which the principal balance has been paid in full prior to the date of such occurrence.

4. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.

KIM FUNDING, LLC, as the Company

By


Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By


Print name Cyrus Moldehl

Title Manager

Fifth Amendment to Loan and Guaranty Agreement

This Amendment, dated August 13, 2016, is executed by Kim Funding, LLC., a California limited liability company (the "**Company**"), Kim H. Peterson ("**Guarantor**"), and L'Audace, LLC, a California limited liability company ("**L'Audace**"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("**the Original Agreement**") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, and July 29, 2016, the parties amended the Original Agreement to increase such amount. The Original Agreement and such amendments are herein referred to as "**the Agreement**."

B. By this Amendment, the parties desire to further increase the amount L'Audace will make available to the Company pursuant to the terms of the Agreement.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to **\$750,000.00** as of the effective date of this Agreement (the "**Effective Date**") upon which the Company may draw from time to time pursuant to multiple loans (each a "**Loan**").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.

KIM FUNDING, LLC, as the Company

By


Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,

a California limited liability company

By


Print name Cyrus Mojdehi

Title Manager

Fourth Amendment to Loan and Guaranty Agreement

This Amendment, dated July 29, 2016, is executed by Kim Funding, LLC., a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, June 21, 2016, July 7, 2016, the parties amended the Original Agreement to increase such amount. The Original Agreement and such amendments are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to further increase the amount L'Audace will make available to the Company pursuant to the terms of the Agreement.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to **\$650,000.00** as of the effective date of this Agreement (the "Effective Date") upon which the Company may draw from time to time pursuant to multiple loans (each a "Loan").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.

KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By 
Print name Cyrus Mojdehi
Title Manager

Third Amendment to Loan and Guaranty Agreement

This Amendment, dated July 7, 2016, is executed by Kim Funding, LLC., a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By amendments dated February 19, 2016, and June 21, 2016, the parties amended the Original Agreement to increase such amount. The Original Agreement and such amendments are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to further increase the amount L'Audace will make available to the Company pursuant to the terms of the Agreement.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to \$500,000.00 as of the effective date of this Agreement (the "Effective Date") upon which the Company may draw from time to time pursuant to multiple loans (each a "Loan").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.

KIM FUNDING, LLC, as the Company

By [Signature]
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor

[Signature]
Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By [Signature]
Print name Cyrus M. Aiden
Title Manager

Second Amendment to Loan and Guaranty Agreement

This Amendment, dated June 21, 2016, is executed by Kim Funding, LLC, a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and L'Audace, LLC, a California limited liability company ("L'Audace"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("the Original Agreement") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement. By an amendment dated February 19, 2016, the parties amended the Original Agreement to increase such amount to \$300,000.00. The Original Agreement and such amendment are herein referred to as "the Agreement."

B. By this Amendment, the parties desire to further increase the amount L'Audace will make available to the Company pursuant to the terms of the Agreement.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to \$400,000.00 as of the effective date of this Agreement (the "Effective Date") upon which the Company may draw from time to time pursuant to multiple loans (each a "Loan").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.


KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By 
Print name Cyrus Moideh
Title Manager

First Amendment to Loan and Guaranty Agreement

This Amendment, dated February 19, 2016, is executed by Kim Funding, LLC., a California limited liability company (the "**Company**"), Kim H. Peterson ("**Guarantor**"), and L'Audace, LLC, a California limited liability company ("**L'Audace**"). This Amendment is executed with reference to the following facts:

A. On or about December 23, 2015, the Company, Guarantor, and L'Audace executed that certain Loan and Guaranty Agreement ("**the Agreement**") by which L'Audace agreed to make available to the Company up to \$200,000.00 for the purposes described in the Agreement.

B. By this Amendment, the parties desire to increase the amount L'Audace will make available to the Company pursuant to the terms of the Agreement.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

1. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to \$300,000.00 as of the effective date of this Agreement (the "**Effective Date**") upon which the Company may draw from time to time pursuant to multiple loans (each a "**Loan**").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.

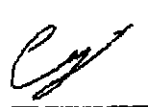
KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By 
Print name Cyrus Maideh
Title Manager

LOAN AND GUARANTY AGREEMENT

THIS LOAN AND GUARANTY AGREEMENT is made and dated as of December 23, 2015, and is entered into by and among Kim Funding, LLC., a California limited liability company (the "**Company**"), Kim H. Peterson ("**Guarantor**"), and L'Audace, LLC, a California limited liability company ("**L'Audace**").

RECITALS

Whereas, the Company seeks financing, the proceeds of which to be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcohol Beverage Control as required by state regulations (each an "**Escrow Account**");

Whereas the Company is affiliated with ANI Development, LLC, a California limited liability company ("**ANI**"), and ANI will establish with Chicago Title ("**Escrow Holder**") an Escrow Account pursuant to an agreement (the "**Escrow Agreement**") to accept the proceeds of each Loan (defined below);

Whereas Guarantor has agreed to furnish a continuing guarantee of certain obligations of the Company (Guarantor and the Company each a "**Credit Party**"); and

Whereas L'Audace is willing to advance the Loans to the Company on the terms and conditions set forth in this Agreement.

Therefore in consideration of the mutual covenants contained herein, L'Audace hereby agrees to provide financing to the Company, on the terms and conditions set forth below.

SECTION 1 – GENERAL TERMS

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, L'Audace will make available to the Company up to \$200,000.00 as of the effective date of this Agreement (the "**Effective Date**") upon which the Company may draw from time to time pursuant to multiple loans (each a "**Loan**").

Section 1.2 Use of Proceeds. The Company represents, warrants and agrees that the proceeds of each Loan will be used solely for the following purpose: contemporaneously with the Loan, the proceeds of which shall be used to fund the Escrow Accounts of persons or entities (each a "**License Applicant**") seeking authorization from the California Department of Alcoholic Beverage Control (the "**ABC**") to acquire by transfer a license issued by ABC.

Section 1.3 Loan Request. To request a Loan, the Company shall complete, sign and deliver a request for a Loan, in a form attached as Exhibit A (a "**Loan Request**") to L'Audace at least three business days before the proposed funding of the Escrow Account. Not later than 1:00 PM (California time) on the third business day following L'Audace's receipt of the Loan Request, L'Audace shall wire the funds in the amount and manner requested by the Loan Request

provided that each of the conditions precedent to such Loan is satisfied as of the requested date of the Loan (the "**Loan Date**"). As used in this Agreement, "**Business Day**" shall mean any day other than a Saturday, Sunday or day on which banks in New York City are generally authorized or required by law to close.

Section 1.4 Evidence of Indebtedness. For each Loan Request, the Company will make the payment specified in the provisions of this Agreement. Payments will be made on the Due Date (defined below) in freely transferable funds and in the manner customary for payments in US dollars ("**Cash**").

Section 1.5 Term. L'Audace's obligation to fund Loans shall cease on the date ("the Termination Date") that is the earlier of (1) the date on which the agreement between ANI and the Company terminates or (2) the second anniversary of the Effective Date; however, if L'Audace elects to fund Loans after the Termination Date, the terms and conditions of this Agreement shall continue to apply to all Loans funded by L'Audace. As used herein, "**Due Date**" for a Loan means the date that is three Business Days following the earliest of (1) the date the License Applicant delivers to Escrow Holder the License Applicant's funds to replace the principal amount of the Loan for the required deposit to complete the license transfer to the License Applicant, (2) the date the License Applicant's license transfer escrow is terminated because ABC disapproved the License Applicant's transfer application, or (3) the date that is 240 days after the Loan Date for such Loan. The Company shall be obligated to pay L'Audace the principal and accrued interest on each Loan on the Due Date for such Loan.

Section 1.6 Interest Rate. The interest rate shall be eleven percent (11%) per annum of the principal amount of the Loan. The principal balance of each Loan shall bear interest thereon from the Loan Date of the Loan, based on a year consisting of 365 days, with interest computed daily based on the actual number of days elapsed. Notwithstanding the foregoing, if for any reason (1) the agreement between ANI and the Company terminates or (2) Escrow Agreements have to be terminated as a consequence of an order or demand by ABC, California Department of Business Oversight or other governmental agency, then the interest rate on all Loans then outstanding shall be reduced to 5 percent per annum retroactive to the Loan Date for each Loan.

Section 1.7 Maximum Interest. Notwithstanding any provision in this Agreement, it is the parties' intent not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction shall finally determine that the Company has actually paid to L'Audace an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan; second, after all principal is repaid, to the payment of L'Audace's accrued interest, costs, expenses, professional fees; and third, the excess (if any) shall be refunded to the Company.

SECTION 2 - CONDITIONS PRECEDENT TO LOAN

Section 2.1 **Conditions.** The obligations of L'Audace to make any Loan hereunder are subject to the satisfaction by L'Audace of the following conditions:

(a) L'Audace shall have received a Loan Request executed by the Company and an Escrow Agreement executed by ANI, attached as Exhibit B (together, the "Loan Documents");

(b) An Escrow Account shall have been established pursuant to the Escrow Agreement;

(c) As of the date of the Loan Request, the representations and warranties contained herein shall be true and correct in all material respects to the same extent as though made on and as of that date;

(d) The Company shall be in compliance with all the terms and provisions set forth herein to be observed or performed, and at the time of and immediately after such Loan no Event of Default shall have occurred and be continuing; and

(e) Each Loan Request or any extension thereof shall be deemed to constitute a representation and warranty by the Company as to the matters specified in paragraphs (c) and (d) of this Section 2.1.

SECTION 3 - REPRESENTATIONS

Section 3.1 **Mutual Representations.** Each party makes the representations that:

(a) It is duly organized and validly existing under the laws of the jurisdiction or incorporation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement, the Loan Documents, and any other documentation that is required by this Agreement, to deliver and to perform its obligations under this Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documentation relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) The respective party's obligations under this Agreement and any other documentation related to this Agreement to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(f) No broker's or finder's fee or commission will be payable with respect to any Loan.

Section 3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) Neither this Agreement nor any other document, certificate or statement furnished or to be furnished to L'Audace by or on behalf of the Company in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact known to the Company which materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to L'Audace by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) It is not a party to any litigation or administrative proceeding, nor so far as is known by the Company is any litigation or administrative proceeding threatened against it which could, if adversely determined, cause any material adverse change in its property, financial condition or the conduct of its business.

(d) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

(e) It is not a party to any agreement, instrument or undertaking, or subject to any other restriction, (a) which materially adversely affects or may in the future so affect the property, financial condition or business operations of the Company, or (b) under or pursuant to which the Company is or will be required to place (or under which any other Person may place) a lien upon any of its properties securing indebtedness either upon demand or upon the happening of a condition, with or without such demand.

Section 3.3 L'Audace Representations. L'Audace makes the representations that:

(a) It is entering into this Agreement without any present intention of making a sale or other distribution of any of the Loans made pursuant to the Agreement, provided L'Audace reserves the right to sell any or all of the Loans or participations therein subject to the express written consent of the Company, with such consent not to be unreasonably withheld.

(b) It meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(c) It has the requisite knowledge and experience to assess the relative merits and risks of the Loans .

(d) It is aware that this Agreement and the Loans hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws, and is subject to restrictions on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – AFFIRMATIVE COVENANTS

Section 4.1 Existence; Compliance with Laws; Businesses and Properties. The Company will do or cause to be done all things reasonably necessary to:

(a) preserve, renew and keep in full force and effect its legal existence under the laws of its jurisdiction of organization;

(b) do or cause to be done all things reasonably necessary to the conduct of its business; and

(c) comply in all material respects with applicable laws, rules, regulations and decrees and orders of any governmental authority, whether now in effect or hereafter enacted.

Section 4.2 Taxes. The Company shall pay and discharge when due all taxes imposed upon it or upon its income or profits or in respect of its property, before the same shall become overdue by more than 45 days; provided, however, that such payment and discharge shall not be required with respect to any such tax so long as the validity or amount thereof is being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves.

Section 4.3 Information Regarding Escrow Account. The Company shall furnish to L'Audace notice of any change on or prior to the occurrence of any change in or closing of any Escrow Account.

SECTION 5 - NEGATIVE COVENANTS

Section 5.1 Conduct of Business. From and after the Effective Date, the Company shall not engage in any business other than (i) the businesses engaged in by the Company on the Effective

Date and similar or related businesses and (ii) such other lines of business as the parties may agree.

Section 5.2 Fundamental Changes. The Company may not consolidate or merge with or into or wind up into (whether or not the Company is the surviving entity), and may not sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Company, taken as a whole, in one or more related transactions, to any Person unless:

(a) the Company is the surviving Person formed by or surviving any such consolidation or merger (if other than the Company) or the entity to whom such sale, assignment, transfer, lease, conveyance or other disposition will have been made is organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Person, the "**Successor Company**");

(b) the Successor Company, if other than the Company, expressly assumes all the obligations of the Company under this Agreement pursuant to documentation reasonably satisfactory to L'Audace;

(c) immediately after such transaction, no Event of Default (as defined in Section 6) exists; and

(d) Guarantor shall have confirmed its guaranty under this Agreement reasonably satisfactory to L'Audace;

provided, that the Company shall promptly notify L'Audace of any such transaction and shall take all required actions prior to such transaction.

SECTION 6 – EVENTS OF DEFAULT

6.1 Defaults. The occurrence of any one or more of the following events shall constitute an "**Event of Default**":

(a) The Company shall fail to pay any payment due on any Loan on the Due Date.

(b) The Company shall default in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement or any similar loan agreement in effect between the Company and L'Audace.

(c) The Company shall default in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan.

(d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to L'Audace hereunder, shall prove to have been false in any material respect as of the time when made or given.

(e) Litigation or an administrative proceeding is instituted against the Company which could, if adversely determined, cause any material adverse change in the Company's financial condition or the conduct of its business.

(f) The Company or Guarantor shall: (i) become insolvent; or (ii) be unable, or admit in writing its inability to pay its debts as they mature; or (iii) make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property; or (iv) become the subject of an "order for relief" within the meaning of the United States Bankruptcy Code; or (v) become the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors; or (vi) apply to a court for the appointment of a custodian or receiver for any of its assets; or (vii) have a custodian or receiver appointed for any of its assets (with or without its consent); or (viii) otherwise become the subject of any insolvency proceedings or propose or enter into any formal or informal composition or arrangement with its creditors; or (ix) die.

(g) This Agreement, any of the Loan Documents, or the Guaranteed Obligations (as defined in Section 7) shall for any reason, cease to be in full force and effect or be declared null and void, or be revoked or terminated, or the validity or enforceability thereof or hereof shall be contested by the Company, any member of the Company or Guarantor, or the Company or Guarantor shall deny that it has any or further liability or obligation thereunder or hereunder, as the case may be.

Section 6.2 Notice of Default. Promptly upon the Company obtaining knowledge of any condition or event that constitutes an Event of Default or that notice has been given to the Company or Guarantor with respect thereto the Company shall provide written notice to L'Audace specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such person and the nature of such claimed Event of Default and what action the Company has taken, is taking and proposes to take with respect thereto.

Section 6.3 Notice of Litigation. Promptly upon the Company obtaining knowledge of (i) any litigation not previously disclosed in writing by the Company to L'Audace, or (ii) any development in any litigation involving the Company that if adversely determined could be reasonably expected to have a material adverse effect, or seeks to enjoin or otherwise prevent the consummation of or to recover any damages or obtain relief as a result of, the transactions contemplated hereby, written notice thereof together with such other information as may be reasonably available to the Company to enable L'Audace and their counsel to evaluate such matters.

Section 6.4 Effect of an Event of Default. If any Event of Default shall occur, at L'Audace's option, all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company. Furthermore, L'Audace's obligations under this Agreement shall be terminated.

SECTION 7 - GUARANTY

Section 7.1 Limited Guaranty of the Obligations. Guarantor hereby irrevocably and unconditionally guaranties to L'Audace for the benefit of L'Audace the due and punctual payment in full of the principal balance of all Loans when the same shall become due (collectively, the "**Guaranteed Obligations**").

Section 7.2 Payment by Guarantor. Guarantor hereby agrees, in furtherance of the foregoing and not in limitation of any other right which L'Audace may have at law or in equity against Guarantor by virtue hereof, that upon the failure of the Company to pay any of the Guaranteed Obligations when and as the same shall become due, whether at stated maturity, Guarantor will upon demand pay, or cause to be paid, in Cash, to L'Audace, an amount equal to the sum of the Guaranteed Obligations then due.

Section 7.3 Liability of Guarantor Absolute. Guarantor agrees that Guarantor's obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, Guarantor agrees as follows:

(a) this Guaranty is a guaranty of payment when due and not of collectability. This Guaranty is a primary obligation of Guarantor and not merely a contract of surety;

(b) L'Audace may enforce this Guaranty upon the occurrence of an Event of Default notwithstanding the existence of any dispute between the Company and L'Audace with respect to the existence of such Event of Default;

(c) Guarantor's obligations hereunder are independent of the obligations of the Company and the obligations of any other guarantor of the obligations of the Company, and a separate action or actions may be brought and prosecuted against Guarantor whether or not any action is brought against the Company or any of such other guarantors and whether or not the Company is joined in any such action or actions;

(d) payment by Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge Guarantor's liability for any portion of the Guaranteed Obligations which has not been paid. Without limiting the generality of the foregoing, if L'Audace is awarded a judgment in any suit brought to enforce Guarantor's covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release Guarantor from its covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit;

(e) L'Audace, upon such terms as it deems appropriate, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of Guarantor's liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations; (ii) settle, compromise, release or

discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations; (iii) request and accept other guaranties of the Guaranteed Obligations and take and hold security for the payment hereof or the Guaranteed Obligations; (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person with respect to the Guaranteed Obligations; (v) enforce and apply any security now or hereafter held by or for the benefit of L'Audace in respect hereof or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that L'Audace may have against any such security, in each case as L'Audace in its discretion may determine consistent herewith or any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of Guarantor against any other Credit Party or any security for the Guaranteed Obligations; and (vi) exercise any other rights available to it under the Loan Documents; and

(f) This Guaranty and the obligations of Guarantor hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment in full of the Guaranteed Obligations), including the occurrence of any of the following, whether or not Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce an agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including provisions relating to Events of Default) hereof, or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guaranteed Obligations; (iii) the Guaranteed Obligations, the Loan Documents or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect; (iv) the application of payments received from any source to the payment of indebtedness other than the Guaranteed Obligations, even though L'Audace might have elected to apply such payment to any part or all of the Guaranteed Obligations; (v) L'Audace's consent to the change, reorganization or termination of the corporate structure or existence of the Company or any of its guarantors and to any corresponding restructuring of the Guaranteed Obligations; (vi) any defenses, set-offs or counterclaims which the Company may allege or assert against L'Audace in respect of the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury; and (vii) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of Guarantor as an obligor in respect of the Guaranteed Obligations.

Section 7.4 Waivers by Guarantor. Guarantor hereby waives, for the benefit of L'Audace:

(a) any right to require L'Audace, as a condition of payment or performance by Guarantor, to (i) proceed against the Company, any other guarantor of the Guaranteed Obligations or any other Person or (ii) pursue any other remedy in the power of L'Audace whatsoever;

(b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Company or any other guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of the Company or any other guarantor from any cause other than payment in full of the Guaranteed Obligations;

(c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

(d) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments and counterclaims, and (iv) promptness, diligence and any requirement that L'Audace protect, secure, perfect or insure any security interest or lien or any property subject thereto;

(e) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder, or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to the Company and any right to consent to any thereof;

(f) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof;

(g) Any right to require L'Audace to (i) proceed against Company or any other person; (ii) proceed against or exhaust any security or (iii) pursue any other remedy. L'Audace may exercise or not exercise any right or remedy it has against Company or any security it holds (including the right to foreclose by judicial or nonjudicial sale) without affecting Guarantor's liability hereunder;

(h) any defenses from disability or other defense of Company or from the cessation of Company's liabilities;

(i) any setoff, defense or counterclaim against L'Audace;

(j) any defense from the absence, impairment or loss of any right of reimbursement or subrogation or any other rights against Company. Until Company's obligations to L'Audace

have been paid, Guarantor has no right of subrogation or reimbursement or other rights against Company;

(k) any right to enforce any remedy that L'Audace has against Company;

(l) any rights to participate in any security held by L'Audace;

(m) any demands for performance, notices of nonperformance or of new or additional indebtedness incurred by Company to L'Audace. Guarantor is responsible for being and keeping itself informed of Company's financial condition;

(n) the benefit of any act or omission by L'Audace which directly or indirectly results in or aids the discharge of Company from any of the Obligations by operation of law or otherwise; and

(o) the benefit of California Civil Code Section 2815 permitting the revocation of this Guaranty as to future transactions and the benefit of California Civil Code Sections 2809, 2810, 2819, 2839, 2845, 2848, 2849, 2850, 2899 and 1432 with respect to certain suretyship defenses.

Section 7.5 Continuing Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations shall have been paid in full. Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations.

Section 7.6 Authority of Guarantor or the Company. It is not necessary for L'Audace to inquire into the capacity or powers of Guarantor or the Company or the officers, directors or any agents acting or purporting to act on behalf of any of them.

Section 7.7 Financial Condition of the Company. Any Loan may be made to the Company or continued from time to time, without notice to or authorization from Guarantor regardless of the financial or other condition of the Company at the time of any such grant or continuation. L'Audace shall not have any obligation to disclose or discuss with Guarantor its assessment, or Guarantor's assessment, of the financial condition of the Company. Guarantor has adequate means to obtain information from the Company on a continuing basis concerning the financial condition of the Company and its ability to perform its obligations under this Agreement, and Guarantor assumes the responsibility for being and keeping informed of the financial condition of the Company and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. Guarantor hereby waives and relinquishes any duty on the part of L'Audace to disclose any matter, fact or thing relating to the business, operations or conditions of the Company now known or hereafter known by L'Audace .

ARTICLE 8 – EXPENSES AND REIMBURSEMENTS

Section 8.1 Reimbursement. Following an Event of Default, the Company shall pay or reimburse L'Audace for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by L'Audace before and

after judgment in enforcing, protecting or preserving its rights under this Agreement, the Loan, and other document required hereunder or thereunder.

Section 8.2 Indemnification. The Company agrees to indemnify L'Audace against any and all losses, claims, damages, liabilities and expenses, (including, without limitation, reasonable attorneys' fees and expenses) incurred by L'Audace arising out of, in any way connected with, or as a result of any claim, litigation, investigation or proceedings related to any of the Loans or other obligations of the Company, whether or not L'Audace is a party thereto; provided, however, that such indemnity shall not apply to any such losses, claims, damages, liabilities or related expenses arising from (a) any unexcused breach by L'Audace of its obligations under this Agreement, or (b) any commitment made by L'Audace to a Person other than the Company which would be breached by the performance of L'Audace's obligations under this Agreement.

Section 8.3 Survival. The foregoing agreements and indemnities of this Section 8 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of any Loan made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 9 - MISCELLANEOUS

Section 9.1 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail, or overnight courier:

If to L'Audace by mail:

L'Audace, LLC
Post Office Box 8722
La Jolla, California 92037

If to L'Audace by other than mail:

L'Audace, LLC
6848 Country Club Drive
La Jolla, California 92037
Email: cyrusmoj@gmail.com

If to the Company and Guarantor:

Kim H. Peterson
P.O. Box 67637
Rancho Santa Fe, CA 92067
Email: kimharoldpeterson@gmail.com

With a Copy to:

F. Sigmund Luther
401 West A Street, Suite 1625
San Diego, California 92101
Email: sig.luther@gmail.com

Section 9.2 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

Section 9.3 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

Section 9.4 Choice of Law. This Agreement shall be governed by the laws of the State of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

Section 9.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any Person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other Person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

Section 9.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to L'Audace under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to L'Audace and nothing shall constitute a waiver by L'Audace of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the

provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

Section 9.7 Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached.

Section 9.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties. All amendments, changes, revisions and discharges of this Agreement, in whole or in part, and from time to time shall be binding upon the parties despite any lack of legal consideration, so long as the same shall be in writing and executed by the parties hereto.

Section 9.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, nor is either party granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.

Section 9.10 Further Acts. Each party hereby agrees that it shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement, without cost, including the execution and delivery of such documents, and the doing of such acts or things as may be required to satisfy the requirements of the Escrow Agreement and for L'Audace to fully and adequately perform its investigations of the Escrow Account.

Section 9.11 Confidentiality. L'Audace acknowledges that certain information provided to L'Audace by each Credit Party is confidential and proprietary information of the Credit Party, if and to the extent such information either (x) is marked as confidential by at the time of disclosure, or (y) should reasonably be understood to be confidential (the "Confidential Information"). Accordingly, L'Audace agrees that any Confidential Information it may obtain in the course of evaluating a Credit Party shall not be disclosed to any other Person in any manner whatsoever, in whole or in part, without the prior written consent of such Credit Party, except that L'Audace may disclose any such information: (a) to its own general partner, officers, employees, accountants, counsel and other professional advisors and to its affiliates if L'Audace in its sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with the Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information; (b) if such information is generally available to the public; (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over the subject matter of the Loan; or (d) if required or appropriate in response to any summons or

under this Agreement and any document relating to this Agreement; (g) to any participant or assignee of L'Audace or any prospective participant or assignee; provided, that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 9.11 prior to disclosure; or (h) otherwise with the prior consent of such Credit Party; provided, that any disclosure made in violation of this Agreement shall not affect the obligations of any Credit Party or any of its Affiliates under this Agreement. As used in this Agreement, "Affiliate" means (1) ANI or (2) any person or entity (each a "Person") the Company controls, is controlled by, or under common control with.

Section 9.12 Assignment. L'Audace may sell or assign any part of any Loan[s] or any of its interest under this Agreement, and any other documents relating to this Agreement to any Person without the express written consent of the Company; however, any such assignment shall not be effective until L'Audace shall have delivered to the Company written notice of the assignment. After the effective date of any such assignment, such assignee shall be vested with all rights, powers and remedies of L'Audace hereunder with respect to the interest so assigned; but with respect to any such interest not so transferred, L'Audace shall retain all rights, powers and remedies hereby given. No such assignment by L'Audace shall relieve any Credit Party of any of its obligations hereunder.

Section 9.13 No Third Party Beneficiaries. No provisions of this Agreement or any other documents relating thereto are intended, nor will be interpreted, to provide or create any third-party beneficiary rights or any other rights of any kind in any Person other than L'Audace and any Credit Party unless specifically provided otherwise herein, and, except as otherwise so provided, all provisions will be personal and solely between the L'Audace and the Company.

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Signature Page to Loan and Guaranty Agreement

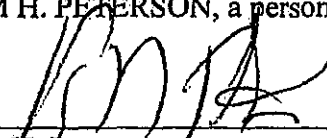
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers and representatives as of the day and year first written above.

KIM FUNDING, LLC, as the Company

By


Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By


Print name Cyrus Moideh

Title Manager

Signature Page to Loan and Guaranty Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers and representatives as of the day and year first written above.

KIM FUNDING, LLC, as the Company

By _____
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor

Kim H. Peterson

L'Audace, LLC,
a California limited liability company

By _____
Print name _____
Title _____

Exhibit A
LOAN REQUEST

Date: _____

To: L'Audace, LLC, a California limited liability company
Post Office Box 8722
6848 Country Club Drive
La Jolla, California 92037
Email cyrusmoj@gmail.com
amojdehi@colley.com

Kim Funding, LLC ("Borrower"), hereby requests from L'Audace, LLC, a California limited liability company ("L'Audace") a Loan in the amount of \$ _____ on _____, 20__ (the "Loan Date") pursuant to the Loan and Guaranty Agreement between Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please: Wire Funds to the Escrow Account

Escrow Agent: Chicago Title Company
Bank Name: Union Bank
Bank Address: 1980 Saturn Street, Monterey Park, California 91756
International Swift Code: BOFCUS33MPK
ABA Number: 122000496
Account Number: 0010425492
Account Name: Chicago Title Company
Reference: Escrow/Title Order No. 48327-DD (for escrows opened in 2016)
Escrow Office Name: Della Ducharme Unit

Borrower represents that the conditions precedent to the Loan set forth in the Agreement are satisfied and shall be satisfied upon the making of such Loan, including but not limited to: (i) that no event that has had or could reasonably be expected to have a material adverse effect has occurred and is continuing; (ii) that the representations and warranties set forth in the Agreement are and shall be true and correct in all material respects on and as of the Loan Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date; (iii) that Borrower is in compliance with all the

terms and provisions set forth in each Loan Document on its part to be observed or performed; and (iv) that as of the Loan Date, no fact or condition exists that would (or would, with the passage of time, the giving of notice, or both) constitute an Event of Default under the Loan Documents. Borrower understands and acknowledges that L'Audace has the right to review the financial information supporting this representation and L'Audace may decline to fund the requested Loan if following such review L'Audace reasonably concludes such representation is not accurate in any material respect.

Borrower hereby represents that Borrower's corporate status and locations have not changed since the date of the Agreement.

Borrower agrees to notify L'Audace promptly before the funding of the Loan if any of the matters which have been represented above were not true and correct on the Loan Date, and if L'Audace has received no such notice before the Loan Date, then the statements set forth above shall be deemed to have been made and shall be deemed to be true and correct as of the Loan Date.

Executed as of _____, 20__

KIM FUNDING, LLC

By _____
Kim H. Peterson, Manager

Exhibit B

Escrow No. _____

Chicago Title
Company
701 B Street, Suite 760,
San Diego, CA 92101

Date: _____

ESCROW AGREEMENT
(Holding Funds)

This Escrow Agreement ("Agreement") is made and entered into as of the above date by and between ANI Development, LLC, a California limited liability company ("Lender"), and Chicago Title Company, a California corporation ("Escrow Holder").

R E C I T A L S

Lender desires to deposit certain funds and direct others to deposit certain funds (the "Deposit") into this Escrow and to provide Escrow Holder with written instructions setting forth the conditions under which Escrow Holder will invest and hold the funds and ultimately disburse them.

Lender and Escrow Holder understand that this is a limited escrow only and is being opened for the benefit of _____ ("Applicant"), who is applying for a License to be issued by the California Alcoholic and Beverage Control ("ABC") under Business and Professions Code sections 24070-24082, pursuant to the transfer of License _____ (\$ _____) to the Applicant.

NOW, THEREFORE, the parties agree as follows:

A G R E E M E N T S

Deposit. Upon the opening of this Escrow, Lender deposited a total sum of \$ _____ with Escrow Holder for the refundable deposit of ABC License _____. Escrow Holder will do the following:

Invest Funds. Place the Deposit into an interest bearing account with all interest accruing to the account of Lender. Concurrently herewith, Lender will provide Escrow Holder with the required IRS Form W-9 and Investment Instructions required to establish such account.

226 Form. Escrow Holder to send to ABC Form 226 upon receipt of Deposit.

Release of the Initial Deposit. At any time, Lender may provide written instructions to Escrow Holder to release all or a portion of the Deposit and the interest thereon to various Chicago Title

escrows or back to Lender or otherwise. During the term of the Escrow, Escrow Holder will disburse the Deposit only upon the written instructions of the Lender. Upon receipt of such instructions, Escrow Holder's only duty is to comply with said instructions and to disburse the Deposit as requested by Lender.

Escrow Holder's Requirement to Terminate Escrow. Escrow Holder shall terminate this Escrow upon the Instructions of Lender or 240 days after the Escrow has been opened, unless requested to do otherwise by the Lender. At the time that the Escrow is terminated, all remaining funds shall be disbursed to Lender, less Escrow Holder's unpaid fees.

Escrow Holder's Fee. The base Escrow Fee is \$500.00 and is to be paid to Escrow Holder when the deposit is received, and additional Escrow Fee of \$500.00 per disbursement is to be paid to Escrow Holder when each disbursement is made.

Escrow Holder's General Provisions. By signature hereon, Lender approves Escrow Holder's General provisions, a copy of which is attached to this Agreement as **Exhibit "A"** and are incorporated by reference as if fully set forth in this Section.

Escrow Holder's Memorandum. Notwithstanding any provisions heretofore set forth, by signature hereon, Lender informs Escrow Holder that Kim H. Peterson (D/O/B 8/27/48), who resides at 271 Oceans View Avenue, Del Mar, CA, or one of his Family Trusts or Entities ("Peterson") has provided to Lender all of the funds which were initially placed in Escrow. Upon the death or incapacitation of Gina Champion-Cain, Managing Member of Lender, Escrow Holder is directed by Lender to return the entire Deposit to Peterson, unless otherwise instructed by Peterson.

IN WITNESS WHEREOF, this Escrow Agreement has been executed by the parties effective as of the date indicated above.

LENDER

ANI Development, LLC,
a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

By _____
Gina Champion-Cain

ESCROW HOLDER

Chicago Title Company,
a California corporation

By _____
Wendy Reynolds

EXHIBIT 6

NIMA

LOAN AGREEMENT

THIS LOAN AGREEMENT ("this Agreement") dated April 26, 2018, is entered into by Kim Funding, LLC, a California limited liability company (the "Company"), and Nima Malek Khosravi ("Lender").

RECITALS

Whereas the Company seeks financing, the proceeds of which will be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcohol Beverage Control as required by state regulations (each an "Escrow Account");

Whereas the Company has established and will continue to establish with Chicago Title ("Escrow Holder") Escrow Accounts pursuant to agreements (each, an "Escrow Agreement") to accept the proceeds of the Loan (defined below);

Whereas Lender is willing to make a loan to the Company on the terms and conditions set forth in this Agreement.

In consideration of the mutual covenants contained herein, Lender hereby agrees to provide \$1,000,000.00 funds on the terms and conditions set forth below.

SECTION 1 - GENERAL TERMS

1.1 Loan Advance. Subject to the terms and conditions of this Agreement, Lender will make available to the Company \$1,000,000.00 which the Company may use to fund Escrow Accounts ("the Loan").

1.2 Use of Proceeds. The Company represents, warrants and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by ABC.

1.3 Loan Request. To request the Loan disbursement, the Company shall complete, sign and deliver to Lender a Loan Request in a form attached as Exhibit A (a "Loan Request") at least three Business Days before the proposed funding of an Escrow Account. Not later than 1:00 PM (California time) on the third Business Day following Lender's receipt of the Loan Request, Lender shall wire the funds in the amount and manner requested by the Loan Request. As used in this Agreement, "Business Day" shall mean any day other than a Saturday, Sunday or day on which banks in New York City are generally authorized or required by law to close.

1.4 Evidence of Indebtedness. The Company will make the payment specified in the provisions of this Agreement. Payments will be made in freely transferable funds and in the manner customary for payments in US dollars ("Cash").

1.5 Term. Lender's obligation to fund the Loan shall cease on April 30, 2020 ("the Termination Date"); however, if Lender elects not to require repayment of the Loan on the

Termination Date, the terms and conditions of this Agreement shall continue to apply to the Loan until the Loan is paid in full.

1.6 Payment. All unpaid principal and unpaid accrued interest shall be due on the Termination Date. As used herein, "Interest Payment Date" means the tenth Business Day after January 1, April 1, July 1, and October 1 of each year this Agreement remains in effect. Commencing April 14, 2017, and continuing on each Interest Payment Date thereafter, the Company shall pay to Lender interest accrued during the preceding three calendar months. The company reserves the right to prepay the Loan in whole or in part at any time(s) without penalty or additional charge.

1.7 Interest Rate. Except as provided below, the interest rate on the unpaid principal amount of the Loan shall be **8 percent** per annum. Interest shall commence to accrue on the date Lender delivers to the Company the proceeds of the Loan following the Company's delivery to Lender of a Loan Request. Interest shall be computed based on a year consisting of 365 days and on the actual number of days elapsed. Notwithstanding the foregoing, if all or substantially all of the then pending Escrow Accounts are terminated as a consequence of or in response to a regulation, order, or enforcement action by ABC or Department of Business Oversight, then the interest rate on the Loan shall be the lesser of (1) **8 percent** per annum or (2) the actual amount of points and interest paid by the License Applicants with respect to the Escrow Accounts funded with the proceeds of the Loan.

1.8 Maximum Interest. Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction shall finally determine that the Company has actually paid to Lender an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan, second, after all principal is repaid, to the payment of Lender's accrued interest, costs, expenses, professional fees, and third, the excess (if any) shall be refunded to the Company.

SECTION 2 - CONDITIONS PRECEDENT TO LOAN

Lender's obligation to make the Loan and allow the Loan proceeds to continue to be used to fund Escrow Accounts is subject to the conditions that (1) the Company shall have delivered to Lender a Loan Request and (2) the Loan proceeds shall be used solely to fund Escrow Accounts.

SECTION 3 - REPRESENTATIONS

3.1 Mutual Representations. Each party makes the representations that:

(a) If a party is not a natural person, it is duly organized and validly existing under the laws of the jurisdiction of formation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement, the Loan Documents, and any other documents that are required by this Agreement, to deliver and to perform its obligations under this

Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documents relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) No broker's or finder's fee or commission will be payable with respect to any Loan.

3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) This Agreement and all documents, certificates, and statements furnished or to be furnished to Lender by or on behalf of the Company in connection herewith do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein and therein not misleading. The Company knows no fact that materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to Lender by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

3.3 Lender Representations. Lender makes the representations that:

(a) It meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(b) It has the requisite knowledge and experience to assess the relative merits and risks of the Loans.

(c) It is aware that this Agreement and the Loans hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws, and is subject to restrictions

on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – EVENTS OF DEFAULT

4.1 **Defaults.** The occurrence of any one or more of the following events shall constitute an "Event of Default":

- (a) The Company timely fails to pay any payment due on the Loan.
- (b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement.
- (c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan.
- (d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to Lender hereunder, proves to have been false in any material respect as of the time when made or given.
- (e) The Company (i) becomes insolvent, or (ii) is unable to pay or admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors, or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets, or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent), or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enter into any formal or informal composition or arrangement with its creditors.

4.2 **Effect of an Event of Default.** If any Event of Default shall occur, then (1) at Lender's option, all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company and (2) Lender's obligations to fund additional Loans shall terminate.

SECTION 5 – EXPENSES AND REIMBURSEMENTS

5.1 **Reimbursement.** Following an Event of Default, the Company shall pay or reimburse Lender for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by Lender before and after judgment in enforcing, protecting or preserving its rights under this Agreement, the Loan, and other document required hereunder or thereunder.

5.2 **Survival.** The foregoing agreements and indemnities of this Section 5 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of any Loan made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document

required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 6 - MISCELLANEOUS

6.1 **Notices.** Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail or overnight courier, addressed as follows:

If to Lender:

Nima Malek Khosravi
1530 Clarendon Blvd, Unit 312
Arlington, Virginia 22209
Email: nimaamalek@gmail.com

If to the Company:

KIM Funding, LLC
P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY FEDEX)

With a Copy to:

ANI Development LLC
3515 Hancock, Unit 200
San Diego, CA 92110

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

6.3 **Entire Agreement.** This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

6.4 **Choice of Law.** This Agreement shall be governed by the laws of the State of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

6.5 **Severability.** If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent

jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

6.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to Lender under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to Lender and nothing shall constitute a waiver by Lender of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

6.7 Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached.

6.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties.

6.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, nor is either party granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.

6.10 Further Acts. Each party hereby agrees that it shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement.

6.11 Confidentiality. Lender acknowledges that certain information provided to Lender by the Company is confidential and proprietary information of the Company, if and to the extent such information either (x) is marked as confidential by at the time of disclosure, or (y) should reasonably be understood to be confidential (the "**Confidential Information**"). Accordingly, Lender agrees that any Confidential Information it may obtain in the course of evaluating the Company shall not be disclosed to any other person in any manner whatsoever, in whole or in part, without the prior written consent of the Company, except that Lender may disclose any such information: (a) to its own general partner, officers, employees, accountants, counsel and other professional advisors and to its affiliates if Lender in its sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with a Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over

Lender, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Lender's counsel, (e) to comply with any legal requirement or law applicable to Lender, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement, (g) to any participant or assignee of Lender or any prospective participant or assignee, provided, that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 6.11 prior to disclosure; or (h) otherwise with the prior consent of the Company; provided, that any disclosure made in violation of this Agreement shall not affect the obligations of the Company or any of its Affiliates under this Agreement.

6.12 Noncompete. During the term of this Agreement and for a period of five years following expiration or termination of this Agreement, Lender and Lender's affiliates shall not within California directly or indirectly engage in the business of making loans to persons seeking approval from ABC for transfers of licenses issued by ABC. The prohibition in the preceding sentence includes any and all activities by Lender or Lender's affiliates as an agent, partner, member, shareholder, owner, consultant, or lender to any business engaged in providing loans to persons seeking ABC's approval for transfers of licenses issued by ABC.

[THE REST OF THIS PAGE IS INTENTIONALLY BLANK]

SIGNATURE PAGE TO LOAN AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers and representatives as of the day and year first written above.

Kim Funding, LLC

By


Kim H. Peterson, Manager


Nima Malek Khosravi

Exhibit A

LOAN REQUEST

To: Nima Malek Khosravi
1530 Clarendon Blvd, Unit 312
Arlington, Virginia 22209

Kim Funding, LLC ("Borrower"), hereby requests from Nima Malek Khosravi ("Lender") an additional loan advance in the amount of \$ _____ on _____, 2017, pursuant to the Loan Agreement between Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please wire funds to the Escrow Account as follows:

Escrow Agent:	Chicago Title Company
Bank Name:	Union Bank
Bank Address:	1980 Saturn Street, Monterey Park, California 91756
International Swift Code:	BOFCUS33MPK
ABA Number:	122000496
Account Number:	0010425492
Account Name:	Chicago Title Company
Reference:	Escrow/Title Order No. 00083790-004-DD (for escrows opened in 2018)
Escrow Office Name:	Della Ducharme Unit

Borrower represents that the conditions precedent to the Loan set forth in the Agreement are satisfied.

Executed as of _____, 2018

Kim Funding, LLC,

By _____
Kim H. Peterson, Manager

EXHIBIT 7

YUAN YU

THIRD AMENDMENT TO THE LOAN AND GUARANTY AGREEMENT DATED JANUARY 14, 2016 AMONG KIM FUNDING, LLC AND KIM H. PETERSON AND YUAN YU

It is mutually understood and agreed by and among the undersigned contracting parties to amend the previously executed *Loan and Guaranty Agreement* dated January 14, 2016 as follows:

RECITALS: The fifth paragraph of the Recitals Section is amended in that Yu will provide financing in the principal amount of \$1,000,000, versus the previous amount of \$800,000;

SECTION 1.1: Yu will make a \$1,000,000 loan, versus the previous amount of \$800,000 with an Effective Date of September 12, 2018.

IN WITNESS WHEREOF, the parties heretofore have caused this Amendment to be duly executed by their respective authorized representatives as of September 11, 2018.

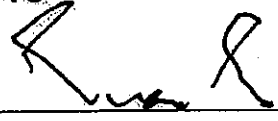
KIM FUNDING, LLC

By 
Kim H. Peterson, Manager

KIM H. PETERSON

By 
Kim H. Peterson

YUAN YU

By 
Yuan Yu

SECOND AMENDMENT TO THE LOAN AND GUARANTY AGREEMENT DATED JANUARY 14, 2016 AMONG KIM FUNDING, LLC AND KIM H. PETERSON AND YUAN YU

It is mutually understood and agreed by and among the undersigned contracting parties to amend the previously executed *Loan and Guaranty Agreement* dated January 14, 2016 as follows:

SECTION 1.4: Interest Rate. The interest rate shall be eight percent (8.0%) per annum of the unpaid principal amount of the Loan, versus the previous eight and one half percent (8.5%), with an Effective Date of January 1, 2018.

IN WITNESS WHEREOF, the parties heretofore have caused this Amendment to be duly executed by their respective authorized representatives as of April 20, 2018.

KIM FUNDING, LLC

By 

Kim H. Peterson, Manager

KIM H. PETERSON

By 

Kim H. Peterson

YUAN YU

By 

Yuan Yu

YUAN
YU

**FIRST AMENDMENT TO THE LOAN AND GUARANTY AGREEMENT DATED JANUARY 14, 2016
AMONG KIM FUNDING LLC AND KIM H. PETERSON AND YUAN YU ("YU")**

It is mutually understood and agreed by and among the undersigned contracting parties to amend the previously executed *Loan and Guaranty Agreement* dated January 14, 2016 as follows:

RECITALS: The fifth paragraph of the Recitals Section is amended in that Yu will provide financing in the principal amount of \$800,000, versus the previous amount of \$600,000;

SECTION 1.1: Yu will make an \$800,000 loan versus the previous amount of \$600,000 with an Effective Date of January 1, 2018.

IN WITNESS WHEREOF, the parties heretofore have caused this Amendment to be duly executed by their respective authorized representatives as of December 12, 2017.

KIM FUNDING LLC

By 

Kim H. Peterson, Manager

KIM H. PETERSON

By 

Kim H. Peterson

YUAN YU

By 

Yuan Yu

FINAL
Yuan Yu

LOAN AND GUARANTY AGREEMENT

THIS LOAN AND GUARANTY AGREEMENT ("Agreement"), is made and dated as of January 14, 2016, and is entered into by and among Kim Funding, LLC, a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and Yuan Yu, an individual ("Yu").

RECITALS

Whereas, the Company seeks financing in the principal amount of \$600,000.00, the proceeds of which are to be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcoholic Beverage Control as required by state regulations (each an "Escrow Account");

Whereas the Company is affiliated with ANI Development, LLC, a California limited liability company ("ANI"), and ANI will establish with Chicago Title ("Escrow Holder") an Escrow Account pursuant to an agreement (the "Escrow Agreement") to accept the proceeds of the Loan (defined below);

Whereas Guarantor has agreed to furnish a continuing guarantee of certain obligations of the Company (Guarantor and the Company each a "Credit Party"); and

Whereas Yu is willing to advance the Loan to the Company on the terms and conditions set forth in this Agreement.

Therefore, in consideration of the mutual covenants contained herein, Yu hereby agrees to provide financing in the principal amount of \$600,000.00 to the Company, on the terms and conditions set forth below.

SECTION 1 - GENERAL TERMS

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, Yu will make a \$600,000.00 loan ("the Loan") to the Company as of the date of this Agreement (the "Effective Date").

Section 1.2 Use of Proceeds. The Company represents, warrants, and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by the ABC.

Section 1.3 Term. As used herein, "Due Date" for the Loan means the date that is the earlier of (1) the third anniversary of the Effective Date or (2) eight months following the date Yu delivers to the Company a written notice ("a Demand Notice") that Yu elects to accelerate the Due Date. In all events, and under all circumstances, on the Due Date, the Company shall pay to Yu all unpaid principal and accrued interest. Following Yu's delivery to the Company of a Demand Notice, the Company may prepay the Loan in whole or in part; however, any partial

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prepayment shall first be applied to unpaid accrued interest and then to principal owed under the Loan.

Section 1.4 Interest Rate. The interest rate shall be 8.5 percent per annum of the unpaid principal amount of the Loan. The principal balance of the Loan shall bear interest thereon from the date the Loan proceeds are delivered to the Company, based on a year consisting of 365 days, with interest computed daily based on the actual number of days elapsed. Accrued interest shall be paid quarterly by the Company to Yu, on April 13, July 13, October 13, and January 13. Notwithstanding the foregoing, if for any reason (1) the agreement between ANI and the Company terminates or (2) Escrow Agreements have to be terminated as a consequence of an order or demand by the ABC, the California Department of Business Oversight, or other governmental agency, then the interest rate on the Loan shall be reduced to 5 percent per annum retroactive to the date on which the most recent quarterly interest payment was due (e.g., if the ANI agreement terminated on November 15, 2017, then the 5 percent interest rate would be retroactive to October 13, 2017).

Section 1.5 Maximum Interest. Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge, or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under California law shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction finally determines that the Company has actually paid to Yu an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan, second, after all principal is repaid, to the payment of Yu's accrued interest, costs, expenses, professional fees, and third, the excess (if any) shall be refunded to the Company.

Section 1.6 Payment. If any payment is specified to be made upon a day that is not a business day, it shall be deemed to be specified to be made on the next business day. Payments of both accrued interest and principal shall be paid by wire transfer of immediately available funds to an account Yu may designate to the Company in writing. Payment by wire transfer or other means shall be credited only when actually received by Yu.

SECTION 2 - CONDITIONS PRECEDENT TO LOAN

The obligations of Yu to make the Loan hereunder are subject to the condition that as of the Effective Date, the Company's representations and warranties contained herein shall be true and correct in all material respects.

SECTION 3 - REPRESENTATIONS

Section 3.1 Mutual Representations. Each party makes the representations that:

(a) It is duly organized and validly existing under the laws of the jurisdiction or incorporation and, if relevant under such law, in good standing.



(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation that is required by this Agreement, to deliver and to perform its obligations under this Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documentation relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) The respective party's obligations under this Agreement and any other documentation related to this Agreement to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(f) No broker's or finder's fee or commission will be payable with respect to the Loan.

Section 3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) Neither this Agreement nor any other document, certificate or statement furnished or to be furnished to Yu by or on behalf of the Company in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact known to the Company which materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to Yu by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) It is not a party to any litigation or administrative proceeding and, so far as is known by the Company, no litigation or administrative proceeding is threatened against it that could, if adversely determined, cause any material adverse change in its property, financial condition or the conduct of its business.

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(d) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

(e) It is not a party to any agreement, instrument or undertaking or subject to any other restriction, (a) which materially adversely affects or may in the future so affect the property, financial condition or business operations of the Company, or (b) under or pursuant to which the Company is or will be required to place (or under which any other Person may place) a lien upon any of its properties securing indebtedness either upon demand or upon the happening of a condition, with or without such demand.

Section 3.3 Yu Representations. Yu makes the representations that:

(a) Yu is entering into this Agreement without any present intention of making a sale or other distribution of the Loan made pursuant to this Agreement, provided Yu reserves the right to sell the Loan or participations therein subject to compliance with Section 9.12 below.

(b) Yu meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(c) Yu has the requisite knowledge and experience to assess the relative merits and risks of the Loan.

(d) Yu is aware that this Agreement and the Loan hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws and is subject to restrictions on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – AFFIRMATIVE COVENANTS

Section 4.1 Existence; Compliance with Laws; Businesses and Properties. The Company will do or cause to be done all things reasonably necessary to:

(a) preserve, renew and keep in full force and effect its legal existence under the laws of its jurisdiction of organization;

(b) do or cause to be done all things reasonably necessary to the conduct of its business; and

(c) comply in all material respects with applicable laws, rules, regulations and decrees and orders of any governmental authority, whether now in effect or hereafter enacted.

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Section 4.2 Taxes. The Company shall pay and discharge when due all taxes imposed upon it or upon its income or profits or in respect of its property, before the same shall become overdue by more than 45 days, provided that such payment and discharge shall not be required with respect to any such tax so long as the validity or amount thereof is being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves.

SECTION 5 - NEGATIVE COVENANTS

Section 5.1 Conduct of Business. From and after the Effective Date, the Company shall not engage in any business other than (i) the businesses engaged in by the Company on the Effective Date and similar or related businesses and (ii) such other lines of business as the parties may agree.

Section 5.2 Fundamental Changes. The Company may not consolidate or merge with or into or wind up into (whether or not the Company is the surviving entity) and may not sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Company, taken as a whole, in one or more related transactions, to any Person unless:

(a) the Company is the surviving Person formed by or surviving any such consolidation or merger (if other than the Company) or the entity to whom such sale, assignment, transfer, lease, conveyance or other disposition will have been made is organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Person, the "Successor Company");

(b) the Successor Company, if other than the Company, expressly assumes all the obligations of the Company under this Agreement pursuant to documentation reasonably satisfactory to Yu;

(c) immediately after such transaction, no Event of Default (as defined in Section 6) exists; and

(d) Guarantor shall have confirmed its guaranty under this Agreement reasonably satisfactory to Yu;

provided that the Company shall promptly notify Yu of any such transaction and shall take all required actions prior to such transaction.

SECTION 6 - EVENTS OF DEFAULT

6.1 Defaults. The occurrence of any one or more of the following events shall constitute an "Event of Default":

(a) The Company fails to pay (1) any quarterly interest payment and such failure continues for 10 days following Yu's delivery to the Company of written notice of such failure or (2) all principal and accrued interest due under the Loan on the Due Date.

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(b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement or any similar loan agreement in effect between the Company and Yu and such default continues for 15 days following Yu's delivery to the Company of written notice of such failure; however, if curing the default reasonably requires more than 15 days, then an Event of Default shall not exist if within 15 days following the Company's receipt of such notice the Company commences to cure the default and thereafter diligently pursues the cure to completion.

(c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan and such default continues for 15 days following Yu's delivery to the Company of written notice of such failure; however, if curing the default reasonably requires more than 15 days, then an Event of Default shall not exist if within 15 days following the Company's receipt of such notice the Company commences to cure the default and thereafter diligently pursues the cure to completion.


(d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to Yu hereunder proves to have been false in any material respect as of the time when made or given.

(e) Litigation or an administrative proceeding is instituted against the Company which could, if adversely determined, cause any material adverse change in the Company's financial condition or the conduct of its business.

(f) The Company or Guarantor (i) becomes insolvent, or (ii) is unable or admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors; or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets; or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent); or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enters into any formal or informal composition or arrangement with its creditors; or (ix) dies.

(g) This Agreement and any of the Loan Documents or the Guaranteed Obligations (as defined in Section 7) for any reason cease to be in full force and effect or are declared null and void, or are revoked or terminated, or the validity or enforceability thereof or hereof is contested by the Company, any member of the Company or Guarantor, or the Company or Guarantor shall deny that it has any or further liability or obligation thereunder or hereunder, as the case may be.

Section 6.2 Notice of Default. Promptly upon the Company's obtaining knowledge of any condition or event that constitutes an Event of Default or that notice has been given to the Company or Guarantor with respect thereto, the Company shall provide written notice to Yu specifying the nature and period of existence of such condition, event or change, or specifying

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the notice given and action taken by any such person and the nature of such claimed Event of Default and what action the Company has taken, is taking, and proposes to take with respect thereto.

Section 6.3 Notice of Litigation. Promptly upon the Company's obtaining knowledge of (i) any litigation not previously disclosed in writing by the Company to Yu or (ii) any development in any litigation involving the Company that if adversely determined could be reasonably expected to have a material adverse effect or seeks to enjoin or otherwise prevent the consummation of or to recover any damages or obtain relief as a result of the transactions contemplated hereby, the Company shall provide written notice thereof together with such other information as may be reasonably available to the Company to enable Yu and Yu's counsel to evaluate such matters.

Section 6.4 Effect of an Event of Default. If any Event of Default occurs, at Yu's option all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company. Furthermore, Yu's obligations under this Agreement shall be terminated.

SECTION 7 - GUARANTY

Section 7.1 Limited Guaranty of the Obligations. Guarantor hereby irrevocably and unconditionally guaranties to Yu for the benefit of Yu the due and punctual payment in full of the principal balance of the Loan when the same becomes due (collectively, the "**Guaranteed Obligations**").

Section 7.2 Payment by Guarantor. Guarantor hereby agrees, in furtherance of the foregoing and not in limitation of any other right that Yu may have at law or in equity against Guarantor by virtue hereof, that upon the failure of the Company to pay any of the Guaranteed Obligations when and as the same become due, whether at stated maturity, Guarantor will upon demand pay, or cause to be paid, in freely transferable funds to Yu an amount equal to the sum of the Guaranteed Obligations then due.

Section 7.3 Liability of Guarantor Absolute. Guarantor agrees that Guarantor's obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, Guarantor agrees as follows:

(a) this Guaranty is a guaranty of payment when due and not of collectability; this Guaranty is a primary obligation of Guarantor and not merely a contract of surety;

(b) Yu may enforce this Guaranty upon the occurrence of an Event of Default notwithstanding the existence of any dispute between the Company and Yu with respect to the existence of such Event of Default;



(c) Guarantor's obligations hereunder are independent of the obligations of the Company and the obligations of any other guarantor of the obligations of the Company, and a separate action or actions may be brought and prosecuted against Guarantor whether or not any action is brought against the Company or any of such other guarantors and whether or not the Company is joined in any such action or actions;

(d) payment by Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge Guarantor's liability for any portion of the Guaranteed Obligations that has not been paid; without limiting the generality of the foregoing, if Yu is awarded a judgment in any suit brought to enforce Guarantor's covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release Guarantor from his covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit;

(e) Yu, upon such terms as Yu deems appropriate, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of Guarantor's liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations, (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations, (iii) request and accept other guaranties of the Guaranteed Obligations and take and hold security for the payment hereof or the Guaranteed Obligations, (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person with respect to the Guaranteed Obligations, (v) enforce and apply any security now or hereafter held by or for the benefit of Yu in respect hereof or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that Yu may have against any such security, in each case as Yu in Yu's discretion may determine consistent herewith or any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of Guarantor against any other Credit Party or any security for the Guaranteed Obligations, and (vi) exercise any other rights available to it under the Loan Documents; and

(f) This Guaranty and the obligations of Guarantor hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment in full of the Guaranteed Obligations), including the occurrence of any of the following, whether or not Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce an agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations, (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the

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terms or provisions (including provisions relating to Events of Default) hereof, or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guaranteed Obligations, (iii) the Guaranteed Obligations, the Loan Documents or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect, (iv) the application of payments received from any source to the payment of indebtedness other than the Guaranteed Obligations, even though Yu might have elected to apply such payment to any part or all of the Guaranteed Obligations, (v) Yu's consent to the change, reorganization or termination of the corporate structure or existence of the Company or any of its guarantors and to any corresponding restructuring of the Guaranteed Obligations, (vi) any defenses, set-offs or counterclaims which the Company may allege or assert against Yu in respect of the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury, and (vii) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of Guarantor as an obligor in respect of the Guaranteed Obligations.

Section 7.4 Waivers by Guarantor. Guarantor hereby waives, for the benefit of Yu:

(a) any right to require Yu, as a condition of payment or performance by Guarantor, to (i) proceed against the Company, any other guarantor of the Guaranteed Obligations or any other Person or (ii) pursue any other remedy in the power of Yu whatsoever;

(b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Company or any other guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of the Company or any other guarantor from any cause other than payment in full of the Guaranteed Obligations;

(c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

(d) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments and counterclaims, and (iv) promptness, diligence and any requirement that Yu protect, secure, perfect or insure any security interest or lien or any property subject thereto;

(e) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder, or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to the Company and any right to consent to any thereof; and



(f) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof.

Section 7.5 Continuing Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations shall have been paid in full. Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations.

Section 7.6 Authority of Guarantor or the Company. It is not necessary for Yu to inquire into the capacity or powers of Guarantor or the Company or the officers, directors or any agents acting or purporting to act on behalf of any of them.


Section 7.7 Financial Condition of the Company. The Loan may be continued from time to time, without notice to or authorization from Guarantor regardless of the financial or other condition of the Company at the time of any such continuation. Yu shall not have any obligation to disclose or discuss with Guarantor its assessment, or Guarantor's assessment, of the financial condition of the Company. Guarantor has adequate means to obtain information from the Company on a continuing basis concerning the financial condition of the Company and its ability to perform its obligations under this Agreement, and Guarantor assumes the responsibility for being and keeping informed of the financial condition of the Company and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. Guarantor hereby waives and relinquishes any duty on the part of Yu to disclose any matter, fact or thing relating to the business, operations or conditions of the Company now known or hereafter known by Yu.

ARTICLE 8 – EXPENSES AND REIMBURSEMENTS

Section 8.1 Reimbursement. Following an Event of Default, the Company shall pay or reimburse Yu for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by Yu before and after judgment in enforcing, protecting or preserving Yu's rights under this Agreement, the Loan, and other document required hereunder or thereunder.

Section 8.2 Indemnification. The Company agrees to indemnify Yu against any and all losses, claims, damages, liabilities and expenses, (including, without limitation, reasonable attorneys' fees and expenses) incurred by Yu arising out of, in any way connected with, or as a result of any claim, litigation, investigation or proceedings related to the Loan or other obligations of the Company, whether or not Yu is a party thereto, provided that such indemnity shall not apply to any such losses, claims, damages, liabilities or related expenses arising from (a) any unexcused breach by Yu of Yu's obligations under this Agreement or (b) any commitment made by Yu to a Person other than the Company that would be breached by the performance of Yu's obligations under this Agreement.

Section 8.3 Survival. The foregoing agreements and indemnities of this Section 8 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of the Loan

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made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 9 - MISCELLANEOUS

Section 9.1 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail, or overnight courier:

If to Yu:

Yuan Yu
20415 Via Canarias
Yorba Linda, California 92887
Email: yuanyu1938@gmail.com

If to the Company and Guarantor:

Kim H. Peterson
P.O. Box 67637
Rancho Santa Fe, CA 92067
Email: kimharoldpeterson@gmail.com

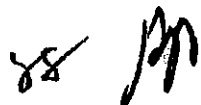
With a Copy to:

F. Sigmund Luther
401 West A Street, Suite 1625
San Diego, California 92101
Email: sig.luther@gmail.com

Section 9.2 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

Section 9.3 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

Section 9.4 Choice of Law. This Agreement shall be governed by the laws of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court, and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.



Section 9.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any Person or circumstance shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other Person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

Section 9.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement, and such waiver shall not be considered a waiver by that party of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to Yu under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to Yu, and nothing shall constitute a waiver by Yu of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

Section 9.7 Exhibits. All exhibits to which reference is made in this Agreement, if any, are deemed incorporated in this Agreement, whether or not actually attached.

Section 9.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties. All amendments, changes, revisions and discharges of this Agreement, in whole or in part, and from time to time shall be binding upon the parties despite any lack of legal consideration, so long as the same shall be in writing and executed by the parties hereto.

Section 9.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, this Agreement shall not be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, neither party is granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, and neither party is in any way liable for any debt of the other.

Section 9.10 Further Acts. Each party shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement, without cost, including the execution and delivery of such documents, and the doing of such acts or things as may be required to satisfy the requirements of the Escrow Agreement.

Section 9.11 Confidentiality. Yu acknowledges that certain information provided to Yu by each Credit Party is confidential and proprietary information of the Credit Party, if and to the extent such information either (x) is marked as confidential by at the time of disclosure or (y) should reasonably be understood to be confidential (the "Confidential Information").

Accordingly, Yu agrees that any Confidential Information Yu may obtain in the course of evaluating a Credit Party shall not be disclosed to any other Person in any manner whatsoever, in whole or in part, without the prior written consent of such Credit Party, except that Yu may disclose any such information (a) to Yu's own general partner, officers, employees, accountants, counsel and other professional advisors and to Yu's affiliates if Yu in Yu's sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with the Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over Yu, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Yu's counsel, (e) to comply with any legal requirement or law applicable to Yu, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement, (g) to any participant or assignee of Yu or any prospective participant or assignee, provided that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 9.11 prior to disclosure, or (h) otherwise with the prior consent of such Credit Party, provided that any disclosure made in violation of this Agreement shall not affect the obligations of any Credit Party or any of its Affiliates under this Agreement. As used in this Agreement, "Affiliate" means (1) ANI or (2) any person or entity (each a "Person") the Company controls, is controlled by, or under common control with.

Section 9.12 Assignment. The terms of this Agreement shall bind and inure to the benefit of the heirs, devisees, representatives, successors and permitted assigns of the parties. Yu may not sell or assign all or any part of the Loan or any of Yu's interest under this Agreement and any other documents relating to this Agreement to any Person without the Company's prior written consent, which consent shall not be unreasonably withheld. After the effective date of any such assignment, such assignee shall be vested with all rights, powers and remedies of Yu hereunder with respect to the interest so assigned, but with respect to any such interest not so transferred, Yu shall retain all rights, powers and remedies hereby given. No such assignment by Yu shall relieve any Credit Party of any of its obligations hereunder. The Company may not assign or transfer this Loan or any of the Company's obligations under this Agreement and any other documents relating to this Agreement to any Person without Yu's prior written consent.

Section 9.13 No Third-Party Beneficiaries. No provisions of this Agreement or any other documents relating thereto are intended and will not be interpreted to provide or create any third-party beneficiary rights or any other rights of any kind in any Person other than Yu and any Credit Party unless specifically provided otherwise herein, and, except as otherwise so provided, all provisions will be personal and solely between the Yu and the Company.

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Signature Page to Loan and Guaranty Agreement

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

KIM FUNDING, LLC, as the Company

By 

Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson



Yuan Yu

EXHIBIT 8

POLLY YU

**SECOND AMENDMENT TO THE LOAN AND GUARANTY AGREEMENT DATED MAY 5,
2016 AMONG KIM FUNDING, LLC AND KIM H. PETERSON AND POLLY YU**

It is mutually understood and agreed by and among the undersigned contracting parties to amend the previously executed *Loan and Guaranty Agreement* dated May 5, 2016 as follows:

SECTION 1.4: Interest Rate. The interest rate shall be eight percent (8.0%) per annum of the unpaid principal amount of the Loan, versus the previous eight and one half percent (8.5%), with an Effective Date of January 1, 2018.

IN WITNESS WHEREOF, the parties heretofore have caused this Amendment to be duly executed by their respective authorized representatives as of April 20, 2018.

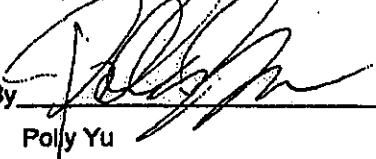
KIM FUNDING, LLC

By 
Kim H. Peterson, Manager

KIM H. PETERSON

By 
Kim H. Peterson

POLLY YU

By 
Polly Yu

Polly Yu

**FIRST AMENDMENT TO THE LOAN AND GUARANTY AGREEMENT DATED MAY 5, 2016
AMONG KIM FUNDING LLC AND KIM H. PETERSON AND POLLY YU**

It is mutually understood and agreed by and among the undersigned contracting parties to amend the previously executed *Loan and Guaranty Agreement* dated May 5, 2016, as follows:

RECITALS: The fifth paragraph of the Recitals Section is amended in that Yu will provide financing in the principal amount of \$400,000, versus the previous amount of \$200,000;

SECTION 1.1: Yu will make a \$400,000 loan, versus the previous amount of \$200,000.

IN WITNESS WHEREOF, the parties heretofore have caused this Amendment to be duly executed by their respective authorized representatives as of May 2, 2017.

KIM FUNDING LLC

By

Kim H. Peterson, Manager

KIM H. PETERSON

By

Kim H. Peterson

POLLY YU

By

Polly Yu

LOAN AND GUARANTY AGREEMENT

THIS LOAN AND GUARANTY AGREEMENT ("Agreement"), is made and dated as of May 5, 2016, and is entered into by and among Kim Funding, LLC, a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and Polly Yu, an individual ("Yu").

RECITALS

Whereas, the Company seeks financing in the principal amount of \$200,000.00, the proceeds of which are to be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcoholic Beverage Control as required by state regulations (each an "Escrow Account");

Whereas the Company is affiliated with ANI Development, LLC, a California limited liability company ("ANI"), and ANI will establish with Chicago Title ("Escrow Holder") an Escrow Account pursuant to an agreement (the "Escrow Agreement") to accept the proceeds of the Loan (defined below);

Whereas Guarantor has agreed to furnish a continuing guarantee of certain obligations of the Company (Guarantor and the Company each a "Credit Party"); and

Whereas Yu is willing to advance the Loan to the Company on the terms and conditions set forth in this Agreement.

Therefore, in consideration of the mutual covenants contained herein, Yu hereby agrees to provide financing in the principal amount of \$200,000.00 to the Company, on the terms and conditions set forth below.

SECTION 1 - GENERAL TERMS

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, Yu will make a \$200,000.00 loan ("the Loan") to the Company as of the date of this Agreement (the "Effective Date").

Section 1.2 Use of Proceeds. The Company represents, warrants, and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by the ABC.

Section 1.3 Term. As used herein, "Due Date" for the Loan means the date that is the earlier of (1) the third anniversary of the Effective Date or (2) eight months following the date Yu delivers to the Company a written notice ("a Demand Notice") that Yu elects to accelerate the Due Date. In all events, and under all circumstances, on the Due Date, the Company shall pay to Yu all unpaid principal and accrued interest. Following Yu's delivery to the Company of a Demand Notice, the Company may prepay the Loan in whole or in part; however, any partial

prepayment shall first be applied to unpaid accrued interest and then to principal owed under the Loan.

Section 1.4 Interest Rate. The interest rate shall be 8.5 percent per annum of the unpaid principal amount of the Loan. The principal balance of the Loan shall bear interest thereon from the date the Loan proceeds are delivered to the Company, based on a year consisting of 365 days, with interest computed daily based on the actual number of days elapsed. Accrued interest shall be paid quarterly by the Company to Yu, on August 5, November 5, February 5, and May 5 (if a quarterly interest payment date falls on a weekend or bank holiday payment will be made the next banking day). Notwithstanding the foregoing, if for any reason (1) the agreement between ANI and the Company terminates or (2) Escrow Agreements have to be terminated as a consequence of an order or demand by the ABC, the California Department of Business Oversight, or other governmental agency, then the interest rate on the Loan shall be reduced to 5 percent per annum retroactive to the date on which the most recent quarterly interest payment was due (e.g., if the ANI agreement terminated on November 15, 2017, then the 5 percent interest rate would be retroactive to October 13, 2017).

Section 1.5 Maximum Interest. Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge, or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under California law shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction finally determines that the Company has actually paid to Yu an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan, second, after all principal is repaid, to the payment of Yu's accrued interest, costs, expenses, professional fees, and third, the excess (if any) shall be refunded to the Company.

Section 1.6 Payment. If any payment is specified to be made upon a day that is not a business day, it shall be deemed to be specified to be made on the next business day. Payments of both accrued interest and principal shall be paid by wire transfer of immediately available funds to an account Yu may designate to the Company in writing. Payment by wire transfer or other means shall be credited only when actually received by Yu.

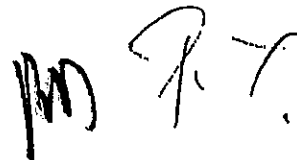
SECTION 2 - CONDITIONS PRECEDENT TO LOAN

The obligations of Yu to make the Loan hereunder are subject to the condition that as of the Effective Date, the Company's representations and warranties contained herein shall be true and correct in all material respects.

SECTION 3 - REPRESENTATIONS

Section 3.1 Mutual Representations. Each party makes the representations that:

(a) It is duly organized and validly existing under the laws of the jurisdiction or incorporation and, if relevant under such law, in good standing.

A handwritten signature in black ink, appearing to be 'M. P. T.', is located in the bottom right area of the page.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation that is required by this Agreement, to deliver and to perform its obligations under this Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documentation relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) The respective party's obligations under this Agreement and any other documentation related to this Agreement to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(f) No broker's or finder's fee or commission will be payable with respect to the Loan.

Section 3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) Neither this Agreement nor any other document, certificate or statement furnished or to be furnished to Yu by or on behalf of the Company in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact known to the Company which materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to Yu by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) It is not a party to any litigation or administrative proceeding and, so far as is known by the Company, no litigation or administrative proceeding is threatened against it that could, if adversely determined, cause any material adverse change in its property, financial condition or the conduct of its business.



(d) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

(e) It is not a party to any agreement, instrument or undertaking or subject to any other restriction, (a) which materially adversely affects or may in the future so affect the property, financial condition or business operations of the Company, or (b) under or pursuant to which the Company is or will be required to place (or under which any other Person may place) a lien upon any of its properties securing indebtedness either upon demand or upon the happening of a condition, with or without such demand.

Section 3.3 Yu Representations. Yu makes the representations that:

(a) Yu is entering into this Agreement without any present intention of making a sale or other distribution of the Loan made pursuant to this Agreement, provided Yu reserves the right to sell the Loan or participations therein subject to compliance with Section 9.12 below.

(b) Yu meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(c) Yu has the requisite knowledge and experience to assess the relative merits and risks of the Loan.

(d) Yu is aware that this Agreement and the Loan hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws and is subject to restrictions on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

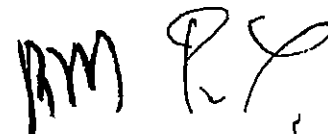
SECTION 4 – AFFIRMATIVE COVENANTS

Section 4.1 Existence; Compliance with Laws, Businesses and Properties. The Company will do or cause to be done all things reasonably necessary to:

(a) preserve, renew and keep in full force and effect its legal existence under the laws of its jurisdiction of organization;

(b) do or cause to be done all things reasonably necessary to the conduct of its business; and

(c) comply in all material respects with applicable laws, rules, regulations and decrees and orders of any governmental authority, whether now in effect or hereafter enacted.



Section 4.2 Taxes. The Company shall pay and discharge when due all taxes imposed upon it or upon its income or profits or in respect of its property, before the same shall become overdue by more than 45 days, provided that such payment and discharge shall not be required with respect to any such tax so long as the validity or amount thereof is being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves.

SECTION 5 - NEGATIVE COVENANTS

Section 5.1 Conduct of Business. From and after the Effective Date, the Company shall not engage in any business other than (i) the businesses engaged in by the Company on the Effective Date and similar or related businesses and (ii) such other lines of business as the parties may agree.

Section 5.2 Fundamental Changes. The Company may not consolidate or merge with or into or wind up into (whether or not the Company is the surviving entity) and may not sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Company, taken as a whole, in one or more related transactions, to any Person unless:

(a) the Company is the surviving Person formed by or surviving any such consolidation or merger (if other than the Company) or the entity to whom such sale, assignment, transfer, lease, conveyance or other disposition will have been made is organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Person, the "Successor Company");

(b) the Successor Company, if other than the Company, expressly assumes all the obligations of the Company under this Agreement pursuant to documentation reasonably satisfactory to Yu;

(c) immediately after such transaction, no Event of Default (as defined in Section 6) exists; and

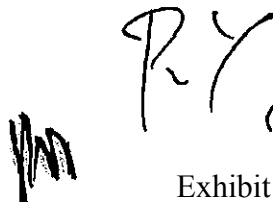
(d) Guarantor shall have confirmed its guaranty under this Agreement reasonably satisfactory to Yu;

provided that the Company shall promptly notify Yu of any such transaction and shall take all required actions prior to such transaction.

SECTION 6 - EVENTS OF DEFAULT

6.1 Defaults. The occurrence of any one or more of the following events shall constitute an "Event of Default":

(a) The Company fails to pay (1) any quarterly interest payment and such failure continues for 10 days following Yu's delivery to the Company of written notice of such failure or (2) all principal and accrued interest due under the Loan on the Due Date.



(b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement or any similar loan agreement in effect between the Company and Yu and such default continues for 15 days following Yu's delivery to the Company of written notice of such failure; however, if curing the default reasonably requires more than 15 days, then an Event of Default shall not exist if within 15 days following the Company's receipt of such notice the Company commences to cure the default and thereafter diligently pursues the cure to completion.

(c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan and such default continues for 15 days following Yu's delivery to the Company of written notice of such failure; however, if curing the default reasonably requires more than 15 days, then an Event of Default shall not exist if within 15 days following the Company's receipt of such notice the Company commences to cure the default and thereafter diligently pursues the cure to completion.

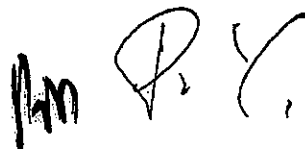
(d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to Yu hereunder proves to have been false in any material respect as of the time when made or given.

(e) Litigation or an administrative proceeding is instituted against the Company which could, if adversely determined, cause any material adverse change in the Company's financial condition or the conduct of its business.

(f) The Company or Guarantor (i) becomes insolvent, or (ii) is unable or admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors; or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets; or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent); or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enters into any formal or informal composition or arrangement with its creditors; or (ix) dies.

(g) This Agreement and any of the Loan Documents or the Guaranteed Obligations (as defined in Section 7) for any reason cease to be in full force and effect or are declared null and void, or are revoked or terminated, or the validity or enforceability thereof or hereof is contested by the Company, any member of the Company or Guarantor, or the Company or Guarantor shall deny that it has any or further liability or obligation thereunder or hereunder, as the case may be.

Section 6.2 Notice of Default. Promptly upon the Company's obtaining knowledge of any condition or event that constitutes an Event of Default or that notice has been given to the Company or Guarantor with respect thereto, the Company shall provide written notice to Yu specifying the nature and period of existence of such condition, event or change, or specifying



the notice given and action taken by any such person and the nature of such claimed Event of Default and what action the Company has taken, is taking, and proposes to take with respect thereto.

Section 6.3 Notice of Litigation. Promptly upon the Company's obtaining knowledge of (i) any litigation not previously disclosed in writing by the Company to Yu or (ii) any development in any litigation involving the Company that if adversely determined could be reasonably expected to have a material adverse effect or seeks to enjoin or otherwise prevent the consummation of or to recover any damages or obtain relief as a result of the transactions contemplated hereby, the Company shall provide written notice thereof together with such other information as may be reasonably available to the Company to enable Yu and Yu's counsel to evaluate such matters.

Section 6.4 Effect of an Event of Default. If any Event of Default occurs, at Yu's option all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company. Furthermore, Yu's obligations under this Agreement shall be terminated.

SECTION 7 - GUARANTY

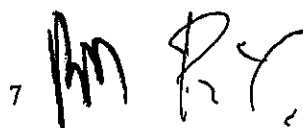
Section 7.1 Limited Guaranty of the Obligations. Guarantor hereby irrevocably and unconditionally guaranties to Yu for the benefit of Yu the due and punctual payment in full of the principal balance of the Loan when the same becomes due (collectively, the "**Guaranteed Obligations**").

Section 7.2 Payment by Guarantor. Guarantor hereby agrees, in furtherance of the foregoing and not in limitation of any other right that Yu may have at law or in equity against Guarantor by virtue hereof, that upon the failure of the Company to pay any of the Guaranteed Obligations when and as the same become due, whether at stated maturity, Guarantor will upon demand pay, or cause to be paid, in freely transferable funds to Yu an amount equal to the sum of the Guaranteed Obligations then due.

Section 7.3 Liability of Guarantor Absolute. Guarantor agrees that Guarantor's obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, Guarantor agrees as follows:

(a) this Guaranty is a guaranty of payment when due and not of collectability; this Guaranty is a primary obligation of Guarantor and not merely a contract of surety;

(b) Yu may enforce this Guaranty upon the occurrence of an Event of Default notwithstanding the existence of any dispute between the Company and Yu with respect to the existence of such Event of Default;

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(c) Guarantor's obligations hereunder are independent of the obligations of the Company and the obligations of any other guarantor of the obligations of the Company, and a separate action or actions may be brought and prosecuted against Guarantor whether or not any action is brought against the Company or any of such other guarantors and whether or not the Company is joined in any such action or actions;

(d) payment by Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge Guarantor's liability for any portion of the Guaranteed Obligations that has not been paid; without limiting the generality of the foregoing, if Yu is awarded a judgment in any suit brought to enforce Guarantor's covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release Guarantor from his covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit;

(e) Yu, upon such terms as Yu deems appropriate, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of Guarantor's liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations, (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations, (iii) request and accept other guaranties of the Guaranteed Obligations and take and hold security for the payment hereof or the Guaranteed Obligations, (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person with respect to the Guaranteed Obligations, (v) enforce and apply any security now or hereafter held by or for the benefit of Yu in respect hereof or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that Yu may have against any such security, in each case as Yu in Yu's discretion may determine consistent herewith or any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of Guarantor against any other Credit Party or any security for the Guaranteed Obligations, and (vi) exercise any other rights available to it under the Loan Documents; and

(f) This Guaranty and the obligations of Guarantor hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment in full of the Guaranteed Obligations), including the occurrence of any of the following, whether or not Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce an agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations, (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the

terms or provisions (including provisions relating to Events of Default) hereof, or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guaranteed Obligations, (iii) the Guaranteed Obligations, the Loan Documents or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect, (iv) the application of payments received from any source to the payment of indebtedness other than the Guaranteed Obligations, even though Yu might have elected to apply such payment to any part or all of the Guaranteed Obligations, (v) Yu's consent to the change, reorganization or termination of the corporate structure or existence of the Company or any of its guarantors and to any corresponding restructuring of the Guaranteed Obligations, (vi) any defenses, set-offs or counterclaims which the Company may allege or assert against Yu in respect of the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury, and (vii) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of Guarantor as an obligor in respect of the Guaranteed Obligations.

Section 7.4 Waivers by Guarantor. Guarantor hereby waives, for the benefit of Yu:

(a) any right to require Yu, as a condition of payment or performance by Guarantor, to (i) proceed against the Company, any other guarantor of the Guaranteed Obligations or any other Person or (ii) pursue any other remedy in the power of Yu whatsoever;

(b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Company or any other guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of the Company or any other guarantor from any cause other than payment in full of the Guaranteed Obligations;

(c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

(d) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments and counterclaims, and (iv) promptness, diligence and any requirement that Yu protect, secure, perfect or insure any security interest or lien or any property subject thereto;

(e) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder, or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to the Company and any right to consent to any thereof; and

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(f) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof.

Section 7.5 Continuing Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations shall have been paid in full. Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations.

Section 7.6 Authority of Guarantor or the Company. It is not necessary for Yu to inquire into the capacity or powers of Guarantor or the Company or the officers, directors or any agents acting or purporting to act on behalf of any of them.

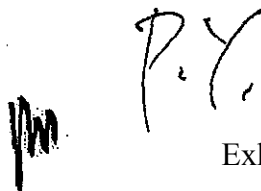
Section 7.7 Financial Condition of the Company. The Loan may be continued from time to time, without notice to or authorization from Guarantor regardless of the financial or other condition of the Company at the time of any such continuation. Yu shall not have any obligation to disclose or discuss with Guarantor its assessment, or Guarantor's assessment, of the financial condition of the Company. Guarantor has adequate means to obtain information from the Company on a continuing basis concerning the financial condition of the Company and its ability to perform its obligations under this Agreement, and Guarantor assumes the responsibility for being and keeping informed of the financial condition of the Company and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. Guarantor hereby waives and relinquishes any duty on the part of Yu to disclose any matter, fact or thing relating to the business, operations or conditions of the Company now known or hereafter known by Yu.

ARTICLE 8 – EXPENSES AND REIMBURSEMENTS

Section 8.1 Reimbursement. Following an Event of Default, the Company shall pay or reimburse Yu for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by Yu before and after judgment in enforcing, protecting or preserving Yu's rights under this Agreement, the Loan, and other document required hereunder or thereunder.

Section 8.2 Indemnification. The Company agrees to indemnify Yu against any and all losses, claims, damages, liabilities and expenses, (including, without limitation, reasonable attorneys' fees and expenses) incurred by Yu arising out of, in any way connected with, or as a result of any claim, litigation, investigation or proceedings related to the Loan or other obligations of the Company, whether or not Yu is a party thereto, provided that such indemnity shall not apply to any such losses, claims, damages, liabilities or related expenses arising from (a) any unexcused breach by Yu of Yu's obligations under this Agreement or (b) any commitment made by Yu to a Person other than the Company that would be breached by the performance of Yu's obligations under this Agreement.

Section 8.3 Survival. The foregoing agreements and indemnities of this Section 8 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of the Loan



made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 9 - MISCELLANEOUS

Section 9.1 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail, or overnight courier:

If to Yu:

Polly Yu
20415 Via Canarias
Yorba Linda, California 92887
Email: Pollyyu52@gmail.com

If to the Company and Guarantor:

Kim H. Peterson
P.O. Box 67637
Rancho Santa Fe, CA 92067
Email: kimharoldpeterson@gmail.com

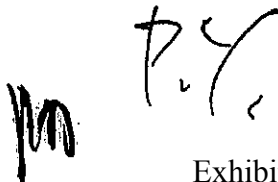
With a Copy to:

F. Sigmund Luther
401 West A Street, Suite 1625
San Diego, California 92101
Email: sig.luther@gmail.com

Section 9.2 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

Section 9.3 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

Section 9.4 Choice of Law. This Agreement shall be governed by the laws of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court, and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.



Section 9.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any Person or circumstance shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other Person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

Section 9.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement, and such waiver shall not be considered a waiver by that party of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to Yu under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to Yu, and nothing shall constitute a waiver by Yu of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

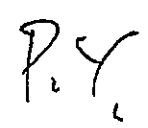

Section 9.7 Exhibits. All exhibits to which reference is made in this Agreement, if any, are deemed incorporated in this Agreement, whether or not actually attached.

Section 9.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties. All amendments, changes, revisions and discharges of this Agreement, in whole or in part, and from time to time shall be binding upon the parties despite any lack of legal consideration, so long as the same shall be in writing and executed by the parties hereto.

Section 9.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, this Agreement shall not be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, neither party is granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, and neither party is in any way liable for any debt of the other.

Section 9.10 Further Acts. Each party shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement, without cost, including the execution and delivery of such documents, and the doing of such acts or things as may be required to satisfy the requirements of the Escrow Agreement.

Section 9.11 Confidentiality. Yu acknowledges that certain information provided to Yu by each Credit Party is confidential and proprietary information of the Credit Party, if and to the extent such information either (x) is marked as confidential by at the time of disclosure or (y) should reasonably be understood to be confidential (the "Confidential Information").

Accordingly, Yu agrees that any Confidential Information Yu may obtain in the course of evaluating a Credit Party shall not be disclosed to any other Person in any manner whatsoever, in whole or in part, without the prior written consent of such Credit Party, except that Yu may disclose any such information (a) to Yu's own general partner, officers, employees, accountants, counsel and other professional advisors and to Yu's affiliates if Yu in Yu's sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with the Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over Yu, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Yu's counsel, (e) to comply with any legal requirement or law applicable to Yu, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement, (g) to any participant or assignee of Yu or any prospective participant or assignee, provided that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 9.11 prior to disclosure, or (h) otherwise with the prior consent of such Credit Party, provided that any disclosure made in violation of this Agreement shall not affect the obligations of any Credit Party or any of its Affiliates under this Agreement. As used in this Agreement, "Affiliate" means (1) ANI or (2) any person or entity (each a "Person") the Company controls, is controlled by, or under common control with.

Section 9.12 Assignment. The terms of this Agreement shall bind and inure to the benefit of the heirs, devisees, representatives, successors and permitted assigns of the parties. Yu may not sell or assign all or any part of the Loan or any of Yu's interest under this Agreement and any other documents relating to this Agreement to any Person without the Company's prior written consent, which consent shall not be unreasonably withheld. After the effective date of any such assignment, such assignee shall be vested with all rights, powers and remedies of Yu hereunder with respect to the interest so assigned, but with respect to any such interest not so transferred, Yu shall retain all rights, powers and remedies hereby given. No such assignment by Yu shall relieve any Credit Party of any of its obligations hereunder. The Company may not assign or transfer this Loan or any of the Company's obligations under this Agreement and any other documents relating to this Agreement to any Person without Yu's prior written consent.

Section 9.13 No Third-Party Beneficiaries. No provisions of this Agreement or any other documents relating thereto are intended and will not be interpreted to provide or create any third-party beneficiary rights or any other rights of any kind in any Person other than Yu and any Credit Party unless specifically provided otherwise herein, and, except as otherwise so provided, all provisions will be personal and solely between the Yu and the Company.

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Signature Page to Loan and Guaranty Agreement

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

KIM FUNDING, LLC, as the Company

By


Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson


Polly Yu

EXHIBIT 9

TARDITI

FIRST AMENDMENT TO THE LOAN AND GUARANTY AGREEMENT DATED JANUARY 11, 2016 AMONG KIM FUNDING, LLC AND KIM H. PETERSON AND SHELLEY LYNN TARDITI TRUST

It is mutually understood and agreed by and among the undersigned contracting parties to amend the previously executed *Loan and Guaranty Agreement* dated January 11, 2016 as follows:

SECTION 1.4: Interest Rate. The interest rate shall be eight percent (8.0%) per annum of the unpaid principal amount of the Loan, versus the previous eight and one half percent (8.5%), with an Effective Date of January 1, 2018.

IN WITNESS WHEREOF, the parties heretofore have caused this Amendment to be duly executed by their respective authorized representatives as of April 20, 2018.

KIM FUNDING, LLC

By 

Kim H. Peterson, Manager

KIM H. PETERSON

By 

Kim H. Peterson

SHELLEY LYNN TARDITI TRUST

By 

Shelley Lynn Tarditi, TTEE

SHELLEY

LOAN AND GUARANTY AGREEMENT

THIS LOAN AND GUARANTY AGREEMENT is made and dated as of January 11, 2016, and is entered into by and among Kim Funding, LLC, a California limited liability company (the "**Company**"), Kim H. Peterson ("**Guarantor**"), and Shelley Lynn Tarditi Trust, a trust ("**SLT**").

RECITALS

Whereas, the Company seeks financing in the principal amount of \$400,000.00, the proceeds of which are to be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcoholic Beverage Control as required by state regulations (each an "**Escrow Account**");

Whereas the Company is affiliated with ANI Development, LLC, a California limited liability company ("**ANI**"), and ANI will establish with Chicago Title ("**Escrow Holder**") an Escrow Account pursuant to an agreement (the "**Escrow Agreement**") to accept the proceeds of the Loan (defined below);

Whereas Guarantor has agreed to furnish a continuing guarantee of certain obligations of the Company (Guarantor and the Company each a "**Credit Party**"); and

Whereas SLT is willing to advance the Loan to the Company on the terms and conditions set forth in this Agreement.

Therefore, in consideration of the mutual covenants contained herein, SLT hereby agrees to provide financing in the principal amount of \$400,000.00 to the Company, on the terms and conditions set forth below.

SECTION 1 – GENERAL TERMS

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, SLT will make a \$400,000.00 loan ("**the Loan**") to the Company as of the date of this Agreement (the "**Effective Date**").

Section 1.2 Use of Proceeds. The Company represents, warrants, and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "**License Applicant**") seeking authorization from the California Department of Alcoholic Beverage Control (the "**ABC**") to acquire by transfer a license issued by the ABC.

Section 1.3 Term. As used herein, "**Due Date**" for the Loan means the date that is the earlier of (1) the third anniversary of the Effective Date or (2) eight months following the date SLT delivers to the Company a written notice ("**a Demand Notice**") that SLT elects to accelerate the Due Date. On the Due Date, the Company shall pay all unpaid principal and accrued interest. Following SLT's delivery to the Company of a Demand Notice, the Company may prepay the Loan in whole or in part; however, any partial prepayment shall first be applied to unpaid accrued interest and then to principal owed under the Loan.

S.T.

Section 1.4 Interest Rate. The interest rate shall be 8.5 percent per annum of the unpaid principal amount of the Loan. The principal balance of the Loan shall bear interest thereon from the date the Loan proceeds are delivered to the Company, based on a year consisting of 365 days, with interest computed daily based on the actual number of days elapsed. Accrued interest shall be paid quarterly on April 10, June 10, October 10, and January 10. Notwithstanding the foregoing, if for any reason (1) the agreement between ANI and the Company terminates or (2) Escrow Agreements have to be terminated as a consequence of an order or demand by the ABC, the California Department of Business Oversight, or other governmental agency, then the interest rate on the Loan shall be reduced to 5 percent per annum retroactive to the date on which the most recent quarterly interest payment was due (e.g., if the ANI agreement terminated on November 15, 2017, then the 5 percent interest rate would be retroactive to October 10, 2017).

Section 1.5 Maximum Interest. Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge, or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under California law shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction finally determines that the Company has actually paid to SLT an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan, second, after all principal is repaid, to the payment of SLT's accrued interest, costs, expenses, professional fees, and third, the excess (if any) shall be refunded to the Company.

SECTION 2 - CONDITIONS PRECEDENT TO LOAN

The obligations of SLT to make the Loan hereunder are subject to the condition that as of the Effective Date, the Company's representations and warranties contained herein shall be true and correct in all material respects.

SECTION 3 - REPRESENTATIONS

Section 3.1 Mutual Representations. Each party makes the representations that:

(a) It is duly organized and validly existing under the laws of the jurisdiction or incorporation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation that is required by this Agreement, to deliver and to perform its obligations under this Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

S.T.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documentation relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) The respective party's obligations under this Agreement and any other documentation related to this Agreement to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(f) No broker's or finder's fee or commission will be payable with respect to the Loan.

Section 3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) Neither this Agreement nor any other document, certificate or statement furnished or to be furnished to SLT by or on behalf of the Company in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact known to the Company which materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to SLT by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) It is not a party to any litigation or administrative proceeding and, so far as is known by the Company, no litigation or administrative proceeding is threatened against it that could, if adversely determined, cause any material adverse change in its property, financial condition or the conduct of its business.

(d) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

(e) It is not a party to any agreement, instrument or undertaking or subject to any other restriction, (a) which materially adversely affects or may in the future so affect the property, financial condition or business operations of the Company, or (b) under or pursuant to

which the Company is or will be required to place (or under which any other Person may place) a lien upon any of its properties securing indebtedness either upon demand or upon the happening of a condition, with or without such demand.

Section 3.3 SLT Representations. SLT makes the representations that:

(a) SLT is entering into this Agreement without any present intention of making a sale or other distribution of the Loan made pursuant to this Agreement, provided SLT reserves the right to sell the Loan or participations therein subject to compliance with Section 9.12 below.

(b) SLT meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(c) SLT has the requisite knowledge and experience to assess the relative merits and risks of the Loan.

(d) SLT is aware that this Agreement and the Loan hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws and is subject to restrictions on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – AFFIRMATIVE COVENANTS

Section 4.1 Existence; Compliance with Laws; Businesses and Properties. The Company will do or cause to be done all things reasonably necessary to:

(a) preserve, renew and keep in full force and effect its legal existence under the laws of its jurisdiction of organization;

(b) do or cause to be done all things reasonably necessary to the conduct of its business; and

(c) comply in all material respects with applicable laws, rules, regulations and decrees and orders of any governmental authority, whether now in effect or hereafter enacted.

Section 4.2 Taxes. The Company shall pay and discharge when due all taxes imposed upon it or upon its income or profits or in respect of its property, before the same shall become overdue by more than 45 days, provided that such payment and discharge shall not be required with respect to any such tax so long as the validity or amount thereof is being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves.

SECTION 5 - NEGATIVE COVENANTS

Section 5.1 Conduct of Business. From and after the Effective Date, the Company shall not engage in any business other than (i) the businesses engaged in by the Company on the Effective

Date and similar or related businesses and (ii) such other lines of business as the parties may agree.

Section 5.2 Fundamental Changes. The Company may not consolidate or merge with or into or wind up into (whether or not the Company is the surviving entity) and may not sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Company, taken as a whole, in one or more related transactions, to any Person unless:

(a) the Company is the surviving Person formed by or surviving any such consolidation or merger (if other than the Company) or the entity to whom such sale, assignment, transfer, lease, conveyance or other disposition will have been made is organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Person, the "Successor Company");

(b) the Successor Company, if other than the Company, expressly assumes all the obligations of the Company under this Agreement pursuant to documentation reasonably satisfactory to SLT;

(c) immediately after such transaction, no Event of Default (as defined in Section 6) exists; and

(d) Guarantor shall have confirmed its guaranty under this Agreement reasonably satisfactory to SLT;

provided that the Company shall promptly notify SLT of any such transaction and shall take all required actions prior to such transaction.

SECTION 6 – EVENTS OF DEFAULT

6.1 Defaults. The occurrence of any one or more of the following events shall constitute an "Event of Default":

(a) The Company fails to pay (1) any quarterly interest payment and such failure continues for 10 days following SLT's delivery to the Company of such failure or (2) all principal and accrued interest due under the Loan on the Due Date.

(b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement or any similar loan agreement in effect between the Company and SLT and such default continues for 15 days following SLT's delivery to the Company of written notice of such failure; however, if curing the default reasonably requires more than 15 days, then an Event of Default shall not exist if within 15 days following the Company's receipt of such notice the Company commences to cure the default and thereafter diligently pursues the cure to completion.

(c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person

that may materially affect any of the Company's ability to repay the Loan and such default continues for 15 days following SLT's delivery to the Company of written notice of such failure; however, if curing the default reasonably requires more than 15 days, then an Event of Default shall not exist if within 15 days following the Company's receipt of such notice the Company commences to cure the default and thereafter diligently pursues the cure to completion.

(d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to SLT hereunder proves to have been false in any material respect as of the time when made or given.

(e) Litigation or an administrative proceeding is instituted against the Company which could, if adversely determined, cause any material adverse change in the Company's financial condition or the conduct of its business.

(f) The Company or Guarantor (i) becomes insolvent, or (ii) is unable or admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors; or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets; or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent); or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enters into any formal or informal composition or arrangement with its creditors; or (ix) dies.

(g) This Agreement and any of the Loan Documents or the Guaranteed Obligations (as defined in Section 7) for any reason cease to be in full force and effect or are declared null and void, or are revoked or terminated, or the validity or enforceability thereof or hereof is contested by the Company, any member of the Company or Guarantor, or the Company or Guarantor shall denies that it has any or further liability or obligation thereunder or hereunder, as the case may be.

Section 6.2 Notice of Default. Promptly upon the Company's obtaining knowledge of any condition or event that constitutes an Event of Default or that notice has been given to the Company or Guarantor with respect thereto, the Company shall provide written notice to SLT specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such person and the nature of such claimed Event of Default and what action the Company has taken, is taking, and proposes to take with respect thereto.

Section 6.3 Notice of Litigation. Promptly upon the Company's obtaining knowledge of (i) any litigation not previously disclosed in writing by the Company to SLT or (ii) any development in any litigation involving the Company that if adversely determined could be reasonably expected to have a material adverse effect or seeks to enjoin or otherwise prevent the consummation of or to recover any damages or obtain relief as a result of the transactions contemplated hereby, the Company shall provide written notice thereof together with such other

Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury, and (vii) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of Guarantor as an obligor in respect of the Guaranteed Obligations.

Section 7.4 Waivers by Guarantor. Guarantor hereby waives, for the benefit of SLT:

(a) any right to require SLT, as a condition of payment or performance by Guarantor, to (i) proceed against the Company, any other guarantor of the Guaranteed Obligations or any other Person or (ii) pursue any other remedy in the power of SLT whatsoever;

(b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Company or any other guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of the Company or any other guarantor from any cause other than payment in full of the Guaranteed Obligations;

(c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

(d) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments and counterclaims, and (iv) promptness, diligence and any requirement that SLT protect, secure, perfect or insure any security interest or lien or any property subject thereto;

(e) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder, or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to the Company and any right to consent to any thereof; and

(f) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof.

Section 7.5 Continuing Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations shall have been paid in full. Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations.

Section 7.6 Authority of Guarantor or the Company. It is not necessary for SLT to inquire into the capacity or powers of Guarantor or the Company or the officers, directors or any agents acting or purporting to act on behalf of any of them.

Section 7.7 Financial Condition of the Company. The Loan may be continued from time to time, without notice to or authorization from Guarantor regardless of the financial or other condition of the Company at the time of any such continuation. SLT shall not have any obligation to disclose or discuss with Guarantor its assessment, or Guarantor's assessment, of the financial condition of the Company. Guarantor has adequate means to obtain information from the Company on a continuing basis concerning the financial condition of the Company and its ability to perform its obligations under this Agreement, and Guarantor assumes the responsibility for being and keeping informed of the financial condition of the Company and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. Guarantor hereby waives and relinquishes any duty on the part of SLT to disclose any matter, fact or thing relating to the business, operations or conditions of the Company now known or hereafter known by SLT.

ARTICLE 8 – EXPENSES AND REIMBURSEMENTS

Section 8.1 Reimbursement. Following an Event of Default, the Company shall pay or reimburse SLT for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by SLT before and after judgment in enforcing, protecting or preserving SLT's rights under this Agreement, the Loan, and other document required hereunder or thereunder.

Section 8.2 Indemnification. The Company agrees to indemnify SLT against any and all losses, claims, damages, liabilities and expenses, (including, without limitation, reasonable attorneys' fees and expenses) incurred by SLT arising out of, in any way connected with, or as a result of any claim, litigation, investigation or proceedings related to the Loan or other obligations of the Company, whether or not SLT is a party thereto, provided that such indemnity shall not apply to any such losses, claims, damages, liabilities or related expenses arising from (a) any unexcused breach by SLT of SLT's obligations under this Agreement or (b) any commitment made by SLT to a Person other than the Company that would be breached by the performance of SLT's obligations under this Agreement.

Section 8.3 Survival. The foregoing agreements and indemnities of this Section 8 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of the Loan made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 9 - MISCELLANEOUS

Section 9.1 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail, or overnight courier:

If to SLT:

Shelley Lynn Tarditi, TTEE
11698 N. Highway 99
Lodi, California 95240
Email: Shelley.Tarditi@gmail.com

If to the Company and Guarantor:

Kim H. Peterson
P.O. Box 67637
Rancho Santa Fe, CA 92067
Email: kimharoldpeterson@gmail.com

With a Copy to:

F. Sigmund Luther
401 West A Street, Suite 1625
San Diego, California 92101
Email: sig.luther@gmail.com

Section 9.2 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

Section 9.3 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

Section 9.4 Choice of Law. This Agreement shall be governed by the laws of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court, and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

Section 9.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any Person or circumstance shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other Person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

Section 9.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement, and such waiver shall not be considered a waiver by that party of any other covenant

S.T.

or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to SLT under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to SLT, and nothing shall constitute a waiver by SLT of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

Section 9.7 Exhibits. All exhibits to which reference is made in this Agreement, if any, are deemed incorporated in this Agreement, whether or not actually attached.

Section 9.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties. All amendments, changes, revisions and discharges of this Agreement, in whole or in part, and from time to time shall be binding upon the parties despite any lack of legal consideration, so long as the same shall be in writing and executed by the parties hereto.

Section 9.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, this Agreement shall not be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, neither party is granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, and neither party is in any way liable for any debt of the other.

Section 9.10 Further Acts. Each party shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement, without cost, including the execution and delivery of such documents, and the doing of such acts or things as may be required to satisfy the requirements of the Escrow Agreement.

Section 9.11 Confidentiality. SLT acknowledges that certain information provided to SLT by each Credit Party is confidential and proprietary information of the Credit Party, if and to the extent such information either (x) is marked as confidential by at the time of disclosure or (y) should reasonably be understood to be confidential (the "Confidential Information"). Accordingly, SLT agrees that any Confidential Information SLT may obtain in the course of evaluating a Credit Party shall not be disclosed to any other Person in any manner whatsoever, in whole or in part, without the prior written consent of such Credit Party, except that SLT may disclose any such information (a) to SLT's own general partner, officers, employees, accountants, counsel and other professional advisors and to SLT's affiliates if SLT in SLT's sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with the Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such

S.T.

information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over SLT, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by SLT's counsel, (e) to comply with any legal requirement or law applicable to SLT, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement, (g) to any participant or assignee of SLT or any prospective participant or assignee, provided that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 9.11 prior to disclosure, or (h) otherwise with the prior consent of such Credit Party, provided that any disclosure made in violation of this Agreement shall not affect the obligations of any Credit Party or any of its Affiliates under this Agreement. As used in this Agreement, "Affiliate" means (1) ANI or (2) any person or entity (each a "Person") the Company controls, is controlled by, or under common control with.

Section 9.12 Assignment. SLT may not sell or assign all or any part of the Loan or any of SLT's interest under this Agreement and any other documents relating to this Agreement to any Person without the Company's prior written consent, which consent shall not be unreasonably withheld. After the effective date of any such assignment, such assignee shall be vested with all rights, powers and remedies of SLT hereunder with respect to the interest so assigned, but with respect to any such interest not so transferred, SLT shall retain all rights, powers and remedies hereby given. No such assignment by SLT shall relieve any Credit Party of any of its obligations hereunder.

Section 9.13 No Third-Party Beneficiaries. No provisions of this Agreement or any other documents relating thereto are intended and will not be interpreted to provide or create any third-party beneficiary rights or any other rights of any kind in any Person other than SLT and any Credit Party unless specifically provided otherwise herein, and, except as otherwise so provided, all provisions will be personal and solely between the SLT and the Company.

[THE REST OF THE PAGE IS INTENTIONALLY BLANK]

5.T.

Signature Page to Loan and Guaranty Agreement

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

KIM FUNDING, LLC, as the Company.

By _____
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor

Kim H. Peterson



Shelley Lynn Tarditi, TTEE

Signature Page to Loan and Guaranty Agreement

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

KIM FUNDING, LLC as the Company

By 

Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson


Shelley Lynn Tardiff, TTEE

EXHIBIT 10

PA 4508

THIRD AMENDMENT TO THE LOAN AND GUARANTY AGREEMENT DATED FEBRUARY 12, 2016 AMONG KIM FUNDING, LLC, KIM H. PETERSON AND THE PAYSON R. STEVENS AND THE KAMALJIT KAUR KAPUR TRUST, DATED MARCH 28, 2014

It is mutually understood and agreed by and among the undersigned contracting parties to amend the previously executed *Loan and Guaranty Agreement* dated February 12, 2016 as follows:

SECTION 1.3: Term. Due Date of the Loan shall be extended to June 1, 2021.

IN WITNESS WHEREOF, the parties heretofore have caused this Amendment to be duly executed by their respective authorized representatives as of May 31, 2019.

KIM FUNDING, LLC

By 
Kim H. Peterson, Manager

KIM H. PETERSON

By 
Kim H. Peterson

PAYSON R. STEVENS AND THE KAMALJIT KAUR KAPUR TRUST, DATED MARCH 28, 2014

By 
Payson R. Stevens, TTEE

By 
Kamaljit Kaur Kapur, TTEE

SECOND AMENDMENT TO THE LOAN AND GUARANTEE AGREEMENT DATED FEBRUARY 12, 2016
BETWEEN KIM FUNDING, LLC AND KIM H. PETERSON AND THE PAYSON R. STEVENS AND THE KAMALJIT
KAUR KAPUR TRUST, DATED MARCH 28, 2014.

It is mutually understood and agreed by and between the undersigned contracting parties to amend the
previously executed Loan And Guarantee Agreement dated February 12, 2016 as follows:

RECITALS: The fifth paragraph of the Recitals Section is amended in that SKT will provide financing in the
principal amount of \$500,000, versus the previous amount of \$300,000 (which amount was initially
\$200,000, but increased to \$300,000 pursuant to the April 15, 2016 First Amendment to the Loan and
Guarantee Agreement.

SECTION 1.1: SKT will make a \$500,000 loan, versus the previous amount of \$300,000.

IN WITNESS WHEREOF, the parties heretofore have caused this Amendment to be duly executed by
their respective authorized representatives as of January 19, 2017.

KIM FUNDING, LLC

By: 

Kim H. Peterson, Manager

KIM H. PETERSON

By: 

Kim H. Peterson

PAYSON R. STEVENS & THE KAMALJIT KAUR KAPUR TRUST DATED MARCH 28, 2014

By: _____

Payson R. Stevens, TTEE

By: _____

Kamaljit Kaur Kapur, TTEE

KAUR KAPUR TRUST, DATED MARCH 28, 2014.

PAYSON

It is mutually understood and agreed by and between the undersigned contracting parties to amend the previously executed Loan And Guarantee Agreement dated February 12, 2016 as follows:

RECITALS: The fifth paragraph of the Recitals Section is amended in that SKT will provide financing in the principal amount of \$500,000, versus the previous amount of \$300,000 (which amount was initially \$200,000, but increased to \$300,000 pursuant to the April 15, 2016 First Amendment to the Loan and Guarantee Agreement.

SECTION 1.1: SKT will make a \$500,000 loan, versus the previous amount of \$300,000.

IN WITNESS WHEREOF, the parties heretofore have caused this Amendment to be duly executed by their respective authorized representatives as of January 19, 2017.

KIM FUNDING, LLC

By


Kim H. Peterson, Manager

KIM H. PETERSON

By


Kim H. Peterson

1/23/17 Wire IN

PAYSON R. STEVENS & THE KAMALJIT KAUR KAPUR TRUST DATED MARCH 28, 2014

By


Payson R. Stevens, TTEE

By


Kamaljit Kaur Kapur, TTEE

FIRST AMENDMENT TO THE LOAN AND GUARANTEE AGREEMENT DATED FEBRUARY 12, 2016 BETWEEN KIM FUNDING LLC AND KIM H. PETERSON AND PAYSON R. STEVENS & KAMALJIT KAUR KAPUR TRUST, DATED MARCH 28, 2014.

It is mutually understood and agreed by and between the undersigned contracting parties to amend that previously executed Loan and Guarantee Agreement dated February 12, 2016, as follows:

RECITALS: The fifth paragraph of the Recitals Section is amended in that SKT will provide financing in the principal amount of \$300,000, versus the previous amount of \$200,000.

SECTION 1.1: SKT will make a \$300,000 loan, versus the previous amount of \$200,000.

CLARIFICATION PURPOSES ONLY: The Company acknowledges receipt of the additional \$100,000 on April 15, 2016.

IN WITNESS WHEREOF, the parties heretofore have caused this Amendment to be duly executed by their respective authorized representatives as of April 15, 2016.

KIM FUNDING LLC

By 
Kim H. Peterson, Manager

KIM H. PETERSON

By 
Kim H. Peterson

PAYSON R. STEVENS & KAMALJIT KAPUR TRUST DATED MARCH 28, 2014

By 
Payson R. Stevens, TTEE

By 
Kamaljit Kaur Kapur, TTEE

PAYSON

LOAN AND GUARANTY AGREEMENT

THIS LOAN AND GUARANTY AGREEMENT ("**Agreement**"), is made and dated as of February 12, 2016, and is entered into by and among Kim Funding, LLC, a California limited liability company (the "**Company**"), Kim H. Peterson ("**Guarantor**"), and Payson R. Stevens & Kamaljit Kaur Kapur Trust dated March 28, 2014, a trust ("**SKT**").

RECITALS

Whereas, the Company seeks financing in the principal amount of \$200,000.00, the proceeds of which are to be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcoholic Beverage Control as required by state regulations (each an "**Escrow Account**");

Whereas the Company is affiliated with ANI Development, LLC, a California limited liability company ("**ANI**"), and ANI will establish with Chicago Title ("**Escrow Holder**") an Escrow Account pursuant to an agreement (the "**Escrow Agreement**") to accept the proceeds of the Loan (defined below);

Whereas Guarantor has agreed to furnish a continuing guarantee of certain obligations of the Company (Guarantor and the Company each a "**Credit Party**"); and

Whereas SKT is willing to advance the Loan to the Company on the terms and conditions set forth in this Agreement.

Therefore, in consideration of the mutual covenants contained herein, SKT hereby agrees to provide financing in the principal amount of \$200,000.00 to the Company, on the terms and conditions set forth below.

SECTION 1 - GENERAL TERMS

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, SKT will make a \$200,000.00 loan ("**the Loan**") to the Company as of the date of this Agreement (the "**Effective Date**").

Section 1.2 Use of Proceeds. The Company represents, warrants, and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "**License Applicant**") seeking authorization from the California Department of Alcoholic Beverage Control (the "**ABC**") to acquire by transfer a license issued by the ABC.

Section 1.3 Term. As used herein, "**Due Date**" for the Loan means the date that is the earlier of (1) the third anniversary of the Effective Date or (2) eight months following the date SKT delivers to the Company a written notice ("**a Demand Notice**") that SKT elects to accelerate the Due Date. In all events, and under all circumstances, on the Due Date, the Company shall pay to SKT all unpaid principal and accrued interest. Following SKT's delivery to the Company of a Demand Notice, the Company may prepay the Loan in whole or in part; however, any partial

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prepayment shall first be applied to unpaid accrued interest and then to principal owed under the Loan.

Section 1.4 Interest Rate. The interest rate shall be ten percent (10%) per annum of the unpaid principal amount of the Loan. The principal balance of the Loan shall bear interest thereon from the date the Loan proceeds are delivered to the Company, based on a year consisting of 365 days, with interest computed daily based on the actual number of days elapsed. Accrued interest shall be paid quarterly by the Company to SKT, on April 13, July 13, October 13, and January 13. Notwithstanding the foregoing, if for any reason (1) the agreement between ANI and the Company terminates or (2) Escrow Agreements have to be terminated as a consequence of an order or demand by the ABC, the California Department of Business Oversight, or other governmental agency, then the interest rate on the Loan shall be reduced to 5 percent per annum retroactive to the date on which the most recent quarterly interest payment was due (e.g., if the ANI agreement terminated on November 15, 2017, then the 5 percent interest rate would be retroactive to October 13, 2017).

Section 1.5 Maximum Interest. Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge, or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under California law shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction finally determines that the Company has actually paid to SKT an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan, second, after all principal is repaid, to the payment of SKT's accrued interest, costs, expenses, professional fees, and third, the excess (if any) shall be refunded to the Company.

Section 1.6 Payment. If any payment is specified to be made upon a day that is not a business day, it shall be deemed to be specified to be made on the next business day. Payments of both accrued interest and principal shall be paid by wire transfer of immediately available funds to an account SKT may designate to the Company in writing. Payment by wire transfer or other means shall be credited only when actually received by SKT.

SECTION 2 - CONDITIONS PRECEDENT TO LOAN

The obligations of SKT to make the Loan hereunder are subject to the condition that as of the Effective Date, the Company's representations and warranties contained herein shall be true and correct in all material respects.

SECTION 3 - REPRESENTATIONS

Section 3.1 Mutual Representations. Each party makes the representations that:

(a) It is duly organized and validly existing under the laws of the jurisdiction or incorporation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation that is required by this Agreement, to deliver and to perform its obligations under this Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documentation relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) The respective party's obligations under this Agreement and any other documentation related to this Agreement to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(f) No broker's or finder's fee or commission will be payable with respect to the Loan.

Section 3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) Neither this Agreement nor any other document, certificate or statement furnished or to be furnished to SKT by or on behalf of the Company in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact known to the Company which materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to SKT by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) It is not a party to any litigation or administrative proceeding and, so far as is known by the Company, no litigation or administrative proceeding is threatened against it that could, if adversely determined, cause any material adverse change in its property, financial condition or the conduct of its business.

(d) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

(e) It is not a party to any agreement, instrument or undertaking or subject to any other restriction, (a) which materially adversely affects or may in the future so affect the property, financial condition or business operations of the Company, or (b) under or pursuant to which the Company is or will be required to place (or under which any other Person may place) a lien upon any of its properties securing indebtedness either upon demand or upon the happening of a condition, with or without such demand.

Section 3.3 SKT Representations. SKT makes the representations that:

(a) SKT is entering into this Agreement without any present intention of making a sale or other distribution of the Loan made pursuant to this Agreement, provided SKT reserves the right to sell the Loan or participations therein subject to compliance with Section 9.12 below.

(b) SKT meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(c) SKT has the requisite knowledge and experience to assess the relative merits and risks of the Loan.

(d) SKT is aware that this Agreement and the Loan hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws and is subject to restrictions on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – AFFIRMATIVE COVENANTS

Section 4.1 Existence; Compliance with Laws; Businesses and Properties. The Company will do or cause to be done all things reasonably necessary to:

(a) preserve, renew and keep in full force and effect its legal existence under the laws of its jurisdiction of organization;

(b) do or cause to be done all things reasonably necessary to the conduct of its business; and

(c) comply in all material respects with applicable laws, rules, regulations and decrees and orders of any governmental authority, whether now in effect or hereafter enacted.

Section 4.2 Taxes. The Company shall pay and discharge when due all taxes imposed upon it or upon its income or profits or in respect of its property, before the same shall become overdue by more than 45 days, provided that such payment and discharge shall not be required with respect to any such tax so long as the validity or amount thereof is being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves.

SECTION 5 - NEGATIVE COVENANTS

Section 5.1 Conduct of Business. From and after the Effective Date, the Company shall not engage in any business other than (i) the businesses engaged in by the Company on the Effective Date and similar or related businesses and (ii) such other lines of business as the parties may agree.

Section 5.2 Fundamental Changes. The Company may not consolidate or merge with or into or wind up into (whether or not the Company is the surviving entity) and may not sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Company, taken as a whole, in one or more related transactions, to any Person unless:

(a) the Company is the surviving Person formed by or surviving any such consolidation or merger (if other than the Company) or the entity to whom such sale, assignment, transfer, lease, conveyance or other disposition will have been made is organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Person, the "Successor Company");

(b) the Successor Company, if other than the Company, expressly assumes all the obligations of the Company under this Agreement pursuant to documentation reasonably satisfactory to SKT;

(c) immediately after such transaction, no Event of Default (as defined in Section 6) exists; and

(d) Guarantor shall have confirmed its guaranty under this Agreement reasonably satisfactory to SKT;

provided that the Company shall promptly notify SKT of any such transaction and shall take all required actions prior to such transaction.

SECTION 6 - EVENTS OF DEFAULT

6.1 Defaults. The occurrence of any one or more of the following events shall constitute an "Event of Default":

(a) The Company fails to pay (1) any quarterly interest payment and such failure continues for 10 days following SKT's delivery to the Company of written notice of such failure or (2) all principal and accrued interest due under the Loan on the Due Date.

(b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement or any similar loan agreement in effect between the Company and SKT and such default continues for 15 days following SKT's delivery to the Company of written notice of such failure; however, if curing the default reasonably requires more than 15 days, then an Event of Default shall not exist if within 15 days following the Company's receipt of such notice the Company commences to cure the default and thereafter diligently pursues the cure to completion.

(c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan and such default continues for 15 days following SKT's delivery to the Company of written notice of such failure; however, if curing the default reasonably requires more than 15 days, then an Event of Default shall not exist if within 15 days following the Company's receipt of such notice the Company commences to cure the default and thereafter diligently pursues the cure to completion.

(d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to SKT hereunder proves to have been false in any material respect as of the time when made or given.

(e) Litigation or an administrative proceeding is instituted against the Company which could, if adversely determined, cause any material adverse change in the Company's financial condition or the conduct of its business.

(f) The Company or Guarantor (i) becomes insolvent, or (ii) is unable or admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors; or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets; or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent); or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enters into any formal or informal composition or arrangement with its creditors; or (ix) dies.

(g) This Agreement and any of the Loan Documents or the Guaranteed Obligations (as defined in Section 7) for any reason cease to be in full force and effect or are declared null and void, or are revoked or terminated, or the validity or enforceability thereof or hereof is contested by the Company, any member of the Company or Guarantor, or the Company or Guarantor shall deny that it has any or further liability or obligation thereunder or hereunder, as the case may be.

Section 6.2 Notice of Default. Promptly upon the Company's obtaining knowledge of any condition or event that constitutes an Event of Default or that notice has been given to the Company or Guarantor with respect thereto, the Company shall provide written notice to SKT specifying the nature and period of existence of such condition, event or change, or specifying

the notice given and action taken by any such person and the nature of such claimed Event of Default and what action the Company has taken, is taking, and proposes to take with respect thereto.

Section 6.3 Notice of Litigation. Promptly upon the Company's obtaining knowledge of (i) any litigation not previously disclosed in writing by the Company to SKT or (ii) any development in any litigation involving the Company that if adversely determined could be reasonably expected to have a material adverse effect or seeks to enjoin or otherwise prevent the consummation of or to recover any damages or obtain relief as a result of the transactions contemplated hereby, the Company shall provide written notice thereof together with such other information as may be reasonably available to the Company to enable SKT and SKT's counsel to evaluate such matters.

Section 6.4 Effect of an Event of Default. If any Event of Default occurs, at SKT's option all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company. Furthermore, SKT's obligations under this Agreement shall be terminated.

SECTION 7 - GUARANTY

Section 7.1 Limited Guaranty of the Obligations. Guarantor hereby irrevocably and unconditionally guaranties to SKT for the benefit of SKT the due and punctual payment in full of the principal balance of the Loan when the same becomes due (collectively, the "Guaranteed Obligations").

Section 7.2 Payment by Guarantor. Guarantor hereby agrees, in furtherance of the foregoing and not in limitation of any other right that SKT may have at law or in equity against Guarantor by virtue hereof, that upon the failure of the Company to pay any of the Guaranteed Obligations when and as the same become due, whether at stated maturity, Guarantor will upon demand pay, or cause to be paid, in freely transferable funds to SKT an amount equal to the sum of the Guaranteed Obligations then due.

Section 7.3 Liability of Guarantor Absolute. Guarantor agrees that Guarantor's obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, Guarantor agrees as follows:

(a) this Guaranty is a guaranty of payment when due and not of collectability; this Guaranty is a primary obligation of Guarantor and not merely a contract of surety;

(b) SKT may enforce this Guaranty upon the occurrence of an Event of Default notwithstanding the existence of any dispute between the Company and SKT with respect to the existence of such Event of Default;

(c) Guarantor's obligations hereunder are independent of the obligations of the Company and the obligations of any other guarantor of the obligations of the Company, and a separate action or actions may be brought and prosecuted against Guarantor whether or not any action is brought against the Company or any of such other guarantors and whether or not the Company is joined in any such action or actions;

(d) payment by Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge Guarantor's liability for any portion of the Guaranteed Obligations that has not been paid; without limiting the generality of the foregoing, if SKT is awarded a judgment in any suit brought to enforce Guarantor's covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release Guarantor from his covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit;

(e) SKT, upon such terms as SKT deems appropriate, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of Guarantor's liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations, (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations, (iii) request and accept other guaranties of the Guaranteed Obligations and take and hold security for the payment hereof or the Guaranteed Obligations, (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person with respect to the Guaranteed Obligations, (v) enforce and apply any security now or hereafter held by or for the benefit of SKT in respect hereof or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that SKT may have against any such security, in each case as SKT in SKT's discretion may determine consistent herewith or any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of Guarantor against any other Credit Party or any security for the Guaranteed Obligations; and (vi) exercise any other rights available to it under the Loan Documents; and

(f) This Guaranty and the obligations of Guarantor hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment in full of the Guaranteed Obligations), including the occurrence of any of the following, whether or not Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce an agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations, (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the

terms or provisions (including provisions relating to Events of Default) hereof, or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guaranteed Obligations, (iii) the Guaranteed Obligations, the Loan Documents or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect, (iv) the application of payments received from any source to the payment of indebtedness other than the Guaranteed Obligations, even though SKT might have elected to apply such payment to any part or all of the Guaranteed Obligations, (v) SKT's consent to the change, reorganization or termination of the corporate structure or existence of the Company or any of its guarantors and to any corresponding restructuring of the Guaranteed Obligations, (vi) any defenses, set-offs or counterclaims which the Company may allege or assert against SKT in respect of the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury, and (vii) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of Guarantor as an obligor in respect of the Guaranteed Obligations.

Section 7.4 Waivers by Guarantor. Guarantor hereby waives, for the benefit of SKT:

(a) any right to require SKT, as a condition of payment or performance by Guarantor, to (i) proceed against the Company, any other guarantor of the Guaranteed Obligations or any other Person or (ii) pursue any other remedy in the power of SKT whatsoever;

(b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Company or any other guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of the Company or any other guarantor from any cause other than payment in full of the Guaranteed Obligations;

(c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

(d) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments and counterclaims, and (iv) promptness, diligence and any requirement that SKT protect, secure, perfect or insure any security interest or lien or any property subject thereto;

(e) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder, or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to the Company and any right to consent to any thereof; and

(f) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof.

Section 7.5 Continuing Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations shall have been paid in full. Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations.

Section 7.6 Authority of Guarantor or the Company. It is not necessary for SKT to inquire into the capacity or powers of Guarantor or the Company or the officers, directors or any agents acting or purporting to act on behalf of any of them.

Section 7.7 Financial Condition of the Company. The Loan may be continued from time to time, without notice to or authorization from Guarantor regardless of the financial or other condition of the Company at the time of any such continuation. SKT shall not have any obligation to disclose or discuss with Guarantor its assessment, or Guarantor's assessment, of the financial condition of the Company. Guarantor has adequate means to obtain information from the Company on a continuing basis concerning the financial condition of the Company and its ability to perform its obligations under this Agreement, and Guarantor assumes the responsibility for being and keeping informed of the financial condition of the Company and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. Guarantor hereby waives and relinquishes any duty on the part of SKT to disclose any matter, fact or thing relating to the business, operations or conditions of the Company now known or hereafter known by SKT.

ARTICLE 8 – EXPENSES AND REIMBURSEMENTS

Section 8.1 Reimbursement. Following an Event of Default, the Company shall pay or reimburse SKT for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by SKT before and after judgment in enforcing, protecting or preserving SKT's rights under this Agreement, the Loan, and other document required hereunder or thereunder.

Section 8.2 Indemnification. The Company agrees to indemnify SKT against any and all losses, claims, damages, liabilities and expenses, (including, without limitation, reasonable attorneys' fees and expenses) incurred by SKT arising out of, in any way connected with, or as a result of any claim, litigation, investigation or proceedings related to the Loan or other obligations of the Company, whether or not SKT is a party thereto, provided that such indemnity shall not apply to any such losses, claims, damages, liabilities or related expenses arising from (a) any unexcused breach by SKT of SKT's obligations under this Agreement or (b) any commitment made by SKT to a Person other than the Company that would be breached by the performance of SKT's obligations under this Agreement.

Section 8.3 Survival. The foregoing agreements and indemnities of this Section 8 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of the Loan

made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 9 - MISCELLANEOUS

Section 9.1 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail, or overnight courier:

If to SKT:

Payson Stevens
411 7th Street
Del Mar, California 92014
Email: payson.stevens@gmail.com

If to the Company and Guarantor: Kim H. Peterson

P.O. Box 67637
Rancho Santa Fe, CA 92067
Email: kimharoldpeterson@gmail.com

With a Copy to:

F. Sigmund Luther
401 West A Street, Suite 1625
San Diego, California 92101
Email: sig.luther@gmail.com

Section 9.2 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

Section 9.3 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

Section 9.4 Choice of Law. This Agreement shall be governed by the laws of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court, and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

Section 9.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any Person or circumstance shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other Person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

Section 9.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement, and such waiver shall not be considered a waiver by that party of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to SKT under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to SKT, and nothing shall constitute a waiver by SKT of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

Section 9.7 Exhibits. All exhibits to which reference is made in this Agreement, if any, are deemed incorporated in this Agreement, whether or not actually attached.

Section 9.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties. All amendments, changes, revisions and discharges of this Agreement, in whole or in part, and from time to time shall be binding upon the parties despite any lack of legal consideration, so long as the same shall be in writing and executed by the parties hereto.

Section 9.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, this Agreement shall not be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, neither party is granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, and neither party is in any way liable for any debt of the other.

Section 9.10 Further Acts. Each party shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement, without cost, including the execution and delivery of such documents, and the doing of such acts or things as may be required to satisfy the requirements of the Escrow Agreement.

Section 9.11 Confidentiality. SKT acknowledges that certain information provided to SKT by each Credit Party is confidential and proprietary information of the Credit Party, if and to the extent such information either (x) is marked as confidential by at the time of disclosure or (y) should reasonably be understood to be confidential (the "Confidential Information").

Accordingly, SKT agrees that any Confidential Information SKT may obtain in the course of evaluating a Credit Party shall not be disclosed to any other Person in any manner whatsoever, in whole or in part, without the prior written consent of such Credit Party, except that SKT may disclose any such information (a) to SKT's own general partner, officers, employees, accountants, counsel and other professional advisors and to SKT's affiliates if SKT in SKT's sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with the Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over SKT, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by SKT's counsel, (e) to comply with any legal requirement or law applicable to SKT; (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement; (g) to any participant or assignee of SKT or any prospective participant or assignee, provided that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 9.11 prior to disclosure, or (h) otherwise with the prior consent of such Credit Party, provided that any disclosure made in violation of this Agreement shall not affect the obligations of any Credit Party or any of its Affiliates under this Agreement. As used in this Agreement, "Affiliate" means (1) ANI or (2) any person or entity (each a "Person") the Company controls, is controlled by, or under common control with.

Section 9.12 Assignment. The terms of this Agreement shall bind and inure to the benefit of the heirs, devisees, representatives, successors and permitted assigns of the parties. SKT may not sell or assign all or any part of the Loan or any of SKT's interest under this Agreement and any other documents relating to this Agreement to any Person without the Company's prior written consent, which consent shall not be unreasonably withheld. After the effective date of any such assignment, such assignee shall be vested with all rights, powers and remedies of SKT hereunder with respect to the interest so assigned, but with respect to any such interest not so transferred, SKT shall retain all rights, powers and remedies hereby given. No such assignment by SKT shall relieve any Credit Party of any of its obligations hereunder. The Company may not assign or transfer this Loan or any of the Company's obligations under this Agreement and any other documents relating to this Agreement to any Person without SKT's prior written consent.

Section 9.13 No Third-Party Beneficiaries. No provisions of this Agreement or any other documents relating thereto are intended and will not be interpreted to provide or create any third-party beneficiary rights or any other rights of any kind in any Person other than SKT and any Credit Party unless specifically provided otherwise herein; and, except as otherwise so provided, all provisions will be personal and solely between the SKT and the Company.

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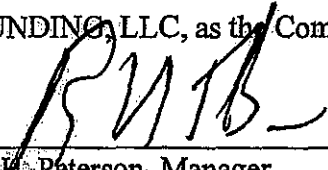
KK 93

Signature Page to Loan and Guaranty Agreement

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

KIM FUNDING, LLC, as the Company

By


Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

PAYSON R. STEVENS & KAMALJIT KAUR KAPUR TRUST


Payson R. Stevens, TTEE


Kamaljit Kaur Kapur, TTEE



EXHIBIT 11

AL DUERR

SECOND AMENDMENT TO THE LOAN AND GUARANTY AGREEMENT DATED OCTOBER 1, 2016 AMONG KIM FUNDING LLC AND KIM H. PETERSON AND ALBERT J. DUERR ("AJD")

It is mutually understood and agreed by and among the undersigned contracting parties to amend the previously executed *Loan and Guaranty Agreement* dated October 1, 2016 as follows:

RECITALS: The fifth paragraph of the Recitals Section is amended in that AJD will provide financing in the principal amount of \$700,000, versus the previous amount of \$200,000;

SECTION 1.1: AJD will make a \$700,000 loan, versus the previous amount of \$200,000 with an Effective Date of September 20, 2018.

IN WITNESS WHEREOF, the parties heretofore have caused this Amendment to be duly executed by their respective authorized representatives as of September 20, 2018.

KIM FUNDING LLC

By 

Kim H. Peterson, Manager

KIM H. PETERSON

By 

Kim H. Peterson

ALBERT J. DUERR

By 

Albert J. Duerr

**FIRST AMENDMENT TO THE LOAN AND GUARANTY AGREEMENT DATED OCTOBER 1,
2016 AMONG KIM FUNDING, LLC AND KIM H. PETERSON AND ALBERT J. DUERR**

It is mutually understood and agreed by and among the undersigned contracting parties to
amend the previously executed *Loan and Guaranty Agreement* dated October 1, 2016 as
follows:

SECTION 1.4: Interest Rate. The interest rate shall be eight percent (8.0%) per annum of the
unpaid principal amount of the Loan, versus the previous eight and one half percent (8.5%),
with an Effective Date of January 1, 2018.

IN WITNESS WHEREOF, the parties heretofore have caused this Amendment to be duly
executed by their respective authorized representatives as of April 20, 2018.

KIM FUNDING, LLC

By 
Kim H. Peterson, Manager

KIM H. PETERSON

By 
Kim H. Peterson

ALBERT J. DUERR

By 
Albert J. Duerr

Final 9/29
AJ Duerr

LOAN AND GUARANTY AGREEMENT

THIS LOAN AND GUARANTY AGREEMENT ("**Agreement**"), is made and dated as of October 1, 2016, and is entered into by and among Kim Funding, LLC, a California limited liability company (the "**Company**"), Kim H. Peterson ("**Guarantor**"), and Albert J. Duerr, an individual ("**AJD**").

RECITALS

Whereas, the Company seeks financing in the principal amount of \$200,000.00, the proceeds of which are to be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcoholic Beverage Control as required by state regulations (each an "**Escrow Account**");

Whereas the Company is affiliated with ANI Development, LLC, a California limited liability company ("**ANI**"), and ANI will establish with Chicago Title ("**Escrow Holder**") an Escrow Account pursuant to an agreement (the "**Escrow Agreement**") to accept the proceeds of the Loan (defined below);

Whereas Guarantor has agreed to furnish a continuing guarantee of certain obligations of the Company (Guarantor and the Company each a "**Credit Party**"); and

Whereas AJD is willing to advance the Loan to the Company on the terms and conditions set forth in this Agreement.

Therefore, in consideration of the mutual covenants contained herein, AJD hereby agrees to provide financing in the principal amount of \$200,000.00 to the Company, on the terms and conditions set forth below.

SECTION 1 – GENERAL TERMS

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, AJD will make a \$200,000.00 loan ("**the Loan**") to the Company as of the date of this Agreement (the "**Effective Date**").

Section 1.2 Use of Proceeds. The Company represents, warrants, and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "**License Applicant**") seeking authorization from the California Department of Alcoholic Beverage Control (the "**ABC**") to acquire by transfer a license issued by the ABC.

Section 1.3 Term. As used herein, "**Due Date**" for the Loan means the date that is the earlier of (1.) the third anniversary of the Effective Date or (2.) eight (8) months following the date AJD delivers to the Company a written notice ("**a Demand Notice**") that AJD elects to accelerate the Due Date. In all events, and under all circumstances, on the Due Date, the Company shall pay to AJD all unpaid principal and accrued interest. Following AJD's delivery to the Company of a Demand Notice, the Company may prepay the Loan in whole or in part; however, any partial

prepayment shall first be applied to unpaid accrued interest and then to principal owed under the Loan.

Section 1.4 Interest Rate. The interest rate shall be eight and one-half percent (8.5%) per annum of the unpaid principal amount of the Loan. The principal balance of the Loan shall bear interest thereon from the date the Loan proceeds are delivered to the Company, based on a year consisting of 365 days, with interest computed daily based on the actual number of days elapsed. Accrued interest shall be paid quarterly by the Company to AJD within ten (10) banking days following the end of each fiscal quarterly close (i.e. March, June, September and December). Notwithstanding the foregoing, if for any reason (1.) the agreement between ANI and the Company terminates or (2.) Escrow Agreements have to be terminated as a consequence of an order or demand by the ABC, the California Department of Business Oversight, or other governmental agency, then the interest rate on the Loan shall be reduced to five percent (5%) per annum retroactive to the date on which the most recent quarterly interest payment was due (e.g., if the ANI agreement terminated on November 15, 2017, then the five percent (5%) interest rate would be retroactive to October 13, 2017).

Section 1.5 Maximum Interest. Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge, or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under California law shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction finally determines that the Company has actually paid to AJD an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan, second, after all principal is repaid, to the payment of AJD's accrued interest, costs, expenses, professional fees, and third, the excess (if any) shall be refunded to the Company.

Section 1.6 Payment. If any payment is specified to be made upon a day that is not a business day, it shall be deemed to be specified to be made on the next business day. Payments of both accrued interest and principal shall be paid by wire transfer of immediately available funds to an account AJD may designate to the Company in writing. Payment by wire transfer or other means shall be credited only when actually received by AJD.

SECTION 2 - CONDITIONS PRECEDENT TO LOAN

The obligations of AJD to make the Loan hereunder are subject to the condition that as of the Effective Date, the Company's representations and warranties contained herein shall be true and correct in all material respects.

SECTION 3 - REPRESENTATIONS

Section 3.1 Mutual Representations. Each party makes the representations that:

(a) It is duly organized and validly existing under the laws of the jurisdiction or incorporation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation that is required by this Agreement, to deliver and to perform its obligations under this Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documentation relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) The respective party's obligations under this Agreement and any other documentation related to this Agreement to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(f) No broker's or finder's fee or commission will be payable with respect to the Loan.

Section 3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) Neither this Agreement nor any other document, certificate or statement furnished or to be furnished to AJD by or on behalf of the Company in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact known to the Company which materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to AJD by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) It is not a party to any litigation or administrative proceeding and, so far as is known by the Company, no litigation or administrative proceeding is threatened against it that could, if adversely determined, cause any material adverse change in its property, financial condition or the conduct of its business.

(d) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

(e) It is not a party to any agreement, instrument or undertaking or subject to any other restriction, (a) which materially adversely affects or may in the future so affect the property, financial condition or business operations of the Company, or (b) under or pursuant to which the Company is or will be required to place (or under which any other Person may place) a lien upon any of its properties securing indebtedness either upon demand or upon the happening of a condition, with or without such demand.

Section 3.3 AJD Representations. AJD makes the representations that:

(a) AJD is entering into this Agreement without any present intention of making a sale or other distribution of the Loan made pursuant to this Agreement, provided AJD reserves the right to sell the Loan or participations therein subject to compliance with Section 9.12 below.

(b) AJD meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(c) AJD has the requisite knowledge and experience to assess the relative merits and risks of the Loan.

(d) AJD is aware that this Agreement and the Loan hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws and is subject to restrictions on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – AFFIRMATIVE COVENANTS

Section 4.1 Existence; Compliance with Laws; Businesses and Properties. The Company will do or cause to be done all things reasonably necessary to:

(a) preserve, renew and keep in full force and effect its legal existence under the laws of its jurisdiction of organization;

(b) do or cause to be done all things reasonably necessary to the conduct of its business; and

(c) comply in all material respects with applicable laws, rules, regulations and decrees and orders of any governmental authority, whether now in effect or hereafter enacted.

Section 4.2 Taxes. The Company shall pay and discharge when due all taxes imposed upon it or upon its income or profits or in respect of its property, before the same shall become overdue by more than 45 days, provided that such payment and discharge shall not be required with respect to any such tax so long as the validity or amount thereof is being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves.

SECTION 5 - NEGATIVE COVENANTS

Section 5.1 Conduct of Business. From and after the Effective Date, the Company shall not engage in any business other than (i) the businesses engaged in by the Company on the Effective Date and similar or related businesses and (ii) such other lines of business as the parties may agree.

Section 5.2 Fundamental Changes. The Company may not consolidate or merge with or into or wind up into (whether or not the Company is the surviving entity) and may not sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Company, taken as a whole, in one or more related transactions, to any Person unless:

(a) the Company is the surviving Person formed by or surviving any such consolidation or merger (if other than the Company) or the entity to whom such sale, assignment, transfer, lease, conveyance or other disposition will have been made is organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Person, the "Successor Company");

(b) the Successor Company, if other than the Company, expressly assumes all the obligations of the Company under this Agreement pursuant to documentation reasonably satisfactory to AJD;

(c) immediately after such transaction, no Event of Default (as defined in Section 6) exists; and

(d) Guarantor shall have confirmed its guaranty under this Agreement reasonably satisfactory to AJD;

provided that the Company shall promptly notify AJD of any such transaction and shall take all required actions prior to such transaction.

SECTION 6 - EVENTS OF DEFAULT

6.1 Defaults. The occurrence of any one or more of the following events shall constitute an "Event of Default":

(a) The Company fails to pay (1) any quarterly interest payment and such failure continues for 10 days following AJD's delivery to the Company of written notice of such failure or (2) all principal and accrued interest due under the Loan on the Due Date.

(b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement or any similar loan agreement in effect between the Company and AJD and such default continues for 15 days following AJD's delivery to the Company of written notice of such failure; however, if curing the default reasonably requires more than 15 days, then an Event of Default shall not exist if within 15 days following the Company's receipt of such notice the Company commences to cure the default and thereafter diligently pursues the cure to completion.

(c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan and such default continues for 15 days following AJD's delivery to the Company of written notice of such failure; however, if curing the default reasonably requires more than 15 days, then an Event of Default shall not exist if within 15 days following the Company's receipt of such notice the Company commences to cure the default and thereafter diligently pursues the cure to completion.

(d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to AJD hereunder proves to have been false in any material respect as of the time when made or given.

(e) Litigation or an administrative proceeding is instituted against the Company which could, if adversely determined, cause any material adverse change in the Company's financial condition or the conduct of its business.

(f) The Company or Guarantor (i) becomes insolvent, or (ii) is unable or admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors; or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets; or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent); or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enters into any formal or informal composition or arrangement with its creditors; or (ix) dies.

(g) This Agreement and any of the Loan Documents or the Guaranteed Obligations (as defined in Section 7) for any reason cease to be in full force and effect or are declared null and void, or are revoked or terminated, or the validity or enforceability thereof or hereof is contested by the Company, any member of the Company or Guarantor, or the Company or Guarantor shall deny that it has any or further liability or obligation thereunder or hereunder, as the case may be.

Section 6.2 Notice of Default. Promptly upon the Company's obtaining knowledge of any condition or event that constitutes an Event of Default or that notice has been given to the Company or Guarantor with respect thereto, the Company shall provide written notice to AJD specifying the nature and period of existence of such condition, event or change, or specifying

the notice given and action taken by any such person and the nature of such claimed Event of Default and what action the Company has taken, is taking, and proposes to take with respect thereto.

Section 6.3 Notice of Litigation. Promptly upon the Company's obtaining knowledge of (i) any litigation not previously disclosed in writing by the Company to AJD or (ii) any development in any litigation involving the Company that if adversely determined could be reasonably expected to have a material adverse effect or seeks to enjoin or otherwise prevent the consummation of or to recover any damages or obtain relief as a result of the transactions contemplated hereby, the Company shall provide written notice thereof together with such other information as may be reasonably available to the Company to enable AJD and AJD's counsel to evaluate such matters.

Section 6.4 Effect of an Event of Default. If any Event of Default occurs, at AJD's option all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company. Furthermore, AJD's obligations under this Agreement shall be terminated.

SECTION 7 - GUARANTY

Section 7.1 Limited Guaranty of the Obligations. Guarantor hereby irrevocably and unconditionally guaranties to AJD for the benefit of AJD the due and punctual payment in full of the principal balance of the Loan when the same becomes due (collectively, the "**Guaranteed Obligations**").

Section 7.2 Payment by Guarantor. Guarantor hereby agrees, in furtherance of the foregoing and not in limitation of any other right that AJD may have at law or in equity against Guarantor by virtue hereof, that upon the failure of the Company to pay any of the Guaranteed Obligations when and as the same become due, whether at stated maturity, Guarantor will upon demand pay, or cause to be paid, in freely transferable funds to AJD an amount equal to the sum of the Guaranteed Obligations then due.

Section 7.3 Liability of Guarantor Absolute. Guarantor agrees that Guarantor's obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, Guarantor agrees as follows:

(a) this Guaranty is a guaranty of payment when due and not of collectability; this Guaranty is a primary obligation of Guarantor and not merely a contract of surety;

(b) AJD may enforce this Guaranty upon the occurrence of an Event of Default notwithstanding the existence of any dispute between the Company and AJD with respect to the existence of such Event of Default;

(c) Guarantor's obligations hereunder are independent of the obligations of the Company and the obligations of any other guarantor of the obligations of the Company, and a separate action or actions may be brought and prosecuted against Guarantor whether or not any action is brought against the Company or any of such other guarantors and whether or not the Company is joined in any such action or actions;

(d) payment by Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge Guarantor's liability for any portion of the Guaranteed Obligations that has not been paid; without limiting the generality of the foregoing, if AJD is awarded a judgment in any suit brought to enforce Guarantor's covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release Guarantor from his covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit;

(e) AJD, upon such terms as AJD deems appropriate, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of Guarantor's liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations, (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations, (iii) request and accept other guaranties of the Guaranteed Obligations and take and hold security for the payment hereof or the Guaranteed Obligations, (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person with respect to the Guaranteed Obligations, (v) enforce and apply any security now or hereafter held by or for the benefit of AJD in respect hereof or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that AJD may have against any such security, in each case as AJD in AJD's discretion may determine consistent herewith or any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of Guarantor against any other Credit Party or any security for the Guaranteed Obligations, and (vi) exercise any other rights available to it under the Loan Documents; and

(f) this Guaranty and the obligations of Guarantor hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment in full of the Guaranteed Obligations), including the occurrence of any of the following, whether or not Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce an agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations, (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the

terms or provisions (including provisions relating to Events of Default) hereof, or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guaranteed Obligations, (iii) the Guaranteed Obligations, the Loan Documents or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect, (iv) the application of payments received from any source to the payment of indebtedness other than the Guaranteed Obligations, even though AJD might have elected to apply such payment to any part or all of the Guaranteed Obligations, (v) AJD's consent to the change, reorganization or termination of the corporate structure or existence of the Company or any of its guarantors and to any corresponding restructuring of the Guaranteed Obligations, (vi) any defenses, set-offs or counterclaims which the Company may allege or assert against AJD in respect of the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury, and (vii) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of Guarantor as an obligor in respect of the Guaranteed Obligations.

Section 7.4 Waivers by Guarantor. Guarantor hereby waives, for the benefit of AJD:

(a) any right to require AJD, as a condition of payment or performance by Guarantor, to (i) proceed against the Company, any other guarantor of the Guaranteed Obligations or any other Person or (ii) pursue any other remedy in the power of AJD whatsoever;

(b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Company or any other guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of the Company or any other guarantor from any cause other than payment in full of the Guaranteed Obligations;

(c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

(d) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments and counterclaims, and (iv) promptness, diligence and any requirement that AJD protect, secure, perfect or insure any security interest or lien or any property subject thereto;

(e) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder, or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to the Company and any right to consent to any thereof; and

(f) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof.

Section 7.5 Continuing Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations shall have been paid in full. Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations.

Section 7.6 Authority of Guarantor or the Company. It is not necessary for AJD to inquire into the capacity or powers of Guarantor or the Company or the officers, directors or any agents acting or purporting to act on behalf of any of them.

Section 7.7 Financial Condition of the Company. The Loan may be continued from time to time, without notice to or authorization from Guarantor regardless of the financial or other condition of the Company at the time of any such continuation. AJD shall not have any obligation to disclose or discuss with Guarantor its assessment, or Guarantor's assessment, of the financial condition of the Company. Guarantor has adequate means to obtain information from the Company on a continuing basis concerning the financial condition of the Company and its ability to perform its obligations under this Agreement, and Guarantor assumes the responsibility for being and keeping informed of the financial condition of the Company and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. Guarantor hereby waives and relinquishes any duty on the part of AJD to disclose any matter, fact or thing relating to the business, operations or conditions of the Company now known or hereafter known by AJD.

ARTICLE 8 – EXPENSES AND REIMBURSEMENTS

Section 8.1 Reimbursement. Following an Event of Default, the Company shall pay or reimburse AJD for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by AJD before and after judgment in enforcing, protecting or preserving AJD's rights under this Agreement, the Loan, and other document required hereunder or thereunder.

Section 8.2 Indemnification. The Company agrees to indemnify AJD against any and all losses, claims, damages, liabilities and expenses, (including, without limitation, reasonable attorneys' fees and expenses) incurred by AJD arising out of, in any way connected with, or as a result of any claim, litigation, investigation or proceedings related to the Loan or other obligations of the Company, whether or not AJD is a party thereto, provided that such indemnity shall not apply to any such losses, claims, damages, liabilities or related expenses arising from (a) any unexcused breach by AJD of AJD's obligations under this Agreement or (b) any commitment made by AJD to a Person other than the Company that would be breached by the performance of AJD's obligations under this Agreement.

Section 8.3 Survival. The foregoing agreements and indemnities of this Section 8 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of the Loan

made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 9 - MISCELLANEOUS

Section 9.1 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail, or overnight courier:

If to AJD:

Albert J. Duerr
5938 W. 76th Street
Los Angeles, California 90045
Email: albertduerr@hotmail.com

If to the Company and Guarantor: Kim H. Peterson

P.O. Box 67637
Rancho Santa Fe, CA 92067
Email: kimharoldpeterson@gmail.com

With a Copy to:

F. Sigmund Luther
401 West A Street, Suite 1625
San Diego, California 92101
Email: sig.luther@gmail.com

Section 9.2 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

Section 9.3 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

Section 9.4 Choice of Law. This Agreement shall be governed by the laws of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court, and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

Section 9.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any Person or circumstance shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other Person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

Section 9.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement, and such waiver shall not be considered a waiver by that party of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to AJD under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to AJD, and nothing shall constitute a waiver by AJD of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

Section 9.7 Exhibits. All exhibits to which reference is made in this Agreement, if any, are deemed incorporated in this Agreement, whether or not actually attached.

Section 9.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties. All amendments, changes, revisions and discharges of this Agreement, in whole or in part, and from time to time shall be binding upon the parties despite any lack of legal consideration, so long as the same shall be in writing and executed by the parties hereto.

Section 9.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, this Agreement shall not be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, neither party is granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, and neither party is in any way liable for any debt of the other.

Section 9.10 Further Acts. Each party shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement, without cost, including the execution and delivery of such documents, and the doing of such acts or things as may be required to satisfy the requirements of the Escrow Agreement.

Section 9.11 Confidentiality. AJD acknowledges that certain information provided to AJD by each Credit Party is confidential and proprietary information of the Credit Party, if and to the extent such information either (x) is marked as confidential by at the time of disclosure or (y) should reasonably be understood to be confidential (the "Confidential Information").

Accordingly, AJD agrees that any Confidential Information AJD may obtain in the course of evaluating a Credit Party shall not be disclosed to any other Person in any manner whatsoever, in whole or in part, without the prior written consent of such Credit Party, except that AJD may disclose any such information (a) to AJD's own general partner, officers, employees, accountants, counsel and other professional advisors and to AJD's affiliates if AJD in AJD's sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with the Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over AJD, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by AJD's counsel, (e) to comply with any legal requirement or law applicable to AJD, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement, (g) to any participant or assignee of AJD or any prospective participant or assignee, provided that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 9.11 prior to disclosure, or (h) otherwise with the prior consent of such Credit Party, provided that any disclosure made in violation of this Agreement shall not affect the obligations of any Credit Party or any of its Affiliates under this Agreement. As used in this Agreement, "Affiliate" means (1) ANI or (2) any person or entity (each a "Person") the Company controls, is controlled by, or under common control with.

Section 9.12 Assignment. The terms of this Agreement shall bind and inure to the benefit of the heirs, devisees, representatives, successors and permitted assigns of the parties. AJD may not sell or assign all or any part of the Loan or any of AJD's interest under this Agreement and any other documents relating to this Agreement to any Person without the Company's prior written consent, which consent shall not be unreasonably withheld. After the effective date of any such assignment, such assignee shall be vested with all rights, powers and remedies of AJD hereunder with respect to the interest so assigned, but with respect to any such interest not so transferred, AJD shall retain all rights, powers and remedies hereby given. No such assignment by AJD shall relieve any Credit Party of any of its obligations hereunder. The Company may not assign or transfer this Loan or any of the Company's obligations under this Agreement and any other documents relating to this Agreement to any Person without AJD's prior written consent.

Section 9.13 No Third-Party Beneficiaries. No provisions of this Agreement or any other documents relating thereto are intended and will not be interpreted to provide or create any third-party beneficiary rights or any other rights of any kind in any Person other than AJD and any Credit Party unless specifically provided otherwise herein, and, except as otherwise so provided, all provisions will be personal and solely between the AJD and the Company.

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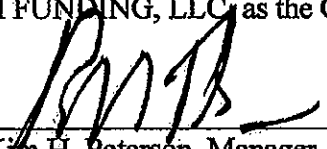
Handwritten initials

Signature Page to Loan and Guaranty Agreement

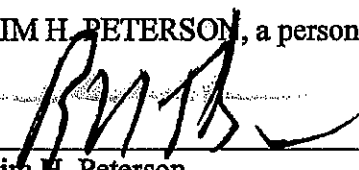
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first written above.

KIM FUNDING, LLC, as the Company

By


Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

ALBERT J. DUERR

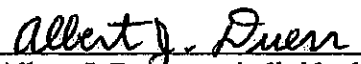

Albert J. Duerr, an individual

EXHIBIT 12

DUERR
PROP.

LOAN AGREEMENT

THIS LOAN AGREEMENT ("this Agreement") dated **September 1, 2018**, is entered into by Kim Funding, LLC, a California limited liability company (the "**Company**"), and Duerr Properties, LLC, a California limited liability company ("**Lender**").

RECITALS

Whereas the Company seeks financing, the proceeds of which will be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcohol Beverage Control as required by state regulations (each an "**Escrow Account**");

Whereas the Company is affiliated with ANI Development, LLC, a California limited liability company ("**ANI**"), and ANI or the Company has established and will continue to establish with Chicago Title ("**Escrow Holder**") Escrow Accounts pursuant to agreements (each, an "**Escrow Agreement**") to accept the proceeds of the Loan (defined below);

Whereas Lender is willing to make a loan to the Company on the terms and conditions set forth in this Agreement.

In consideration of the mutual covenants contained herein, Lender hereby agrees to provide certain funds on the terms and conditions set forth below.

SECTION 1 – GENERAL TERMS

1.1 Loan Advance. Subject to the terms and conditions of this Agreement, Lender will make available to the Company certain funds that the Company may use to fund Escrow Accounts. Concurrently with the execution of this Agreement, Lender will advance to the Company **\$500,000.00**. On or before **September 21, 2018**, Lender will advance to the Company a further amount, which, at Lender's election, will be not less than **\$4,500,000.00** or more than **\$8,000,000.00**.

1.2 Use of Proceeds. The Company represents, warrants and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "**License Applicant**") seeking authorization from the California Department of Alcoholic Beverage Control (the "**ABC**") to acquire by transfer a license issued by ABC.

1.3 Evidence of Indebtedness. The Company will make the payment specified in the provisions of this Agreement. Payments will be made in freely transferable funds and in the manner customary for payments in US dollars.

1.4 Term. Lender's obligation to fund the Loan shall cease on **August 31, 2023** ("**the Termination Date**"); however, if Lender elects not to require repayment of the Loan on the Termination Date, the terms and conditions of this Agreement shall continue to apply to the Loan until the Loan is paid in full.

1.5 Payment. All unpaid principal and unpaid accrued interest under this Agreement shall be due on the Termination Date. As used herein, "**Interest Payment Date**" means the tenth

Business Day after January 1, April 1, July 1, and October 1 of each year this Agreement remains in effect. Commencing on the first Interest Payment Date following the date of this Agreement and continuing on each Interest Payment Date thereafter, the Company shall pay to Lender interest accrued during the preceding three calendar months. The Company reserves the right to prepay the Loan in whole or in part at any time(s) without penalty or additional charge. As used in this Agreement, "**Business Day**" shall mean any day other than a Saturday, Sunday or day on which banks in New York City are generally authorized or required by law to close.

1.6 Interest Rate. Except as provided below, the interest rate on the unpaid principal amount of the Loan shall be **6.4 percent** per annum. Interest shall commence to accrue on the date Lender delivers to the Company the proceeds of the Loan. Interest shall be computed based on a year consisting of 365 days and on the actual number of days elapsed. Notwithstanding the foregoing, if (1) for any reason, the Agreement between ANI and the Company terminates or (2) all or substantially all of the then pending Escrow Accounts are terminated as a consequence of or in response to a regulation, order, or enforcement action by ABC or Department of Business Oversight, then the interest rate on the Loan shall be the lesser of (i) **10 percent** per annum or (ii) the actual amount of points and interest paid by the License Applicants with respect to the Escrow Accounts funded with the proceeds of the Loan.

1.7 Maximum Interest. Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction shall finally determine that the Company has actually paid to Lender an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan, second, after all principal is repaid, to the payment of Lender's accrued interest, costs, expenses, professional fees, and third, the excess (if any) shall be refunded to the Company.

SECTION 2 - CONDITION PRECEDENT TO LOAN

Lender's obligation to make the Loan and allow the Loan proceeds to continue to be used to fund Escrow Accounts is subject to the condition that the Loan proceeds shall be used solely to fund Escrow Accounts.

SECTION 3 - REPRESENTATIONS

3.1 Mutual Representations. Each party makes the representations that:

(a) If a party is not a natural person, it is duly organized and validly existing under the laws of the jurisdiction of formation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement, the Loan Documents, and any other documents that are required by this Agreement, to deliver and to perform its obligations under this Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documents relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) No broker's or finder's fee or commission will be payable with respect to any Loan.

3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) This Agreement and all documents, certificates, and statements furnished or to be furnished to Lender by or on behalf of the Company in connection herewith do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein and therein not misleading. The Company knows no fact that materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to Lender by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

3.3 Lender Representations. Lender makes the representations that:

(a) It meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(b) It has the requisite knowledge and experience to assess the relative merits and risks of the Loans.

(c) It is aware that this Agreement and the Loans hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws, and is subject to restrictions on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – EVENTS OF DEFAULT

4.1 **Defaults.** The occurrence of any one or more of the following events shall constitute an "Event of Default":

- (a) The Company timely fails to pay any payment due on the Loan.
- (b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement.
- (c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan.
- (d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to Lender hereunder, proves to have been false in any material respect as of the time when made or given.
- (e) The Company (i) becomes insolvent, or (ii) is unable to pay or admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors, or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets, or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent), or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enter into any formal or informal composition or arrangement with its creditors.

4.2 **Effect of an Event of Default.** If any Event of Default shall occur, then (1) at Lender's option, all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company and (2) Lender's obligations to fund additional Loans shall terminate.

SECTION 5 – EXPENSES AND REIMBURSEMENTS

5.1 **Reimbursement.** Following an Event of Default, the Company shall pay or reimburse Lender for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by Lender before and after judgment in enforcing, protecting or preserving its rights under this Agreement, the Loan, and other document required hereunder or thereunder.

5.2 **Survival.** The foregoing agreements and indemnities of this Section 5 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of any Loan made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 6 - MISCELLANEOUS

6.1 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail or overnight courier, addressed as follows:

If to Lender:

Albert J. Duerr
5938 West 76th Street
Los Angeles, California 90045
Email: albertduerr@hotmail.com

If to the Company:

KIM Funding, LLC
P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY FEDEX)

With a Copy to:

ANI Development, LLC
3515 Hancock, Unit 200
San Diego, CA 92110

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

6.3 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

6.4 Choice of Law. This Agreement shall be governed by the laws of the State of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

6.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

6.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to Lender under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to Lender and nothing shall constitute a waiver by Lender of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

6.7 Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached.

6.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties.

6.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, nor is either party granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.

6.10 Further Acts. Each party hereby agrees that it shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement.

6.11 Confidentiality. Lender acknowledges that certain information provided to Lender by the Company is confidential and proprietary information of the Company, if and to the extent such information either (x) is marked as confidential by at the time of disclosure, or (y) should reasonably be understood to be confidential (the "**Confidential Information**"). Accordingly, Lender agrees that any Confidential Information it may obtain in the course of evaluating the Company shall not be disclosed to any other person in any manner whatsoever, in whole or in part, without the prior written consent of the Company, except that Lender may disclose any such information: (a) to its own general partner, officers, employees, accountants, counsel and other professional advisors and to its affiliates if Lender in its sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with a Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over Lender, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Lender's counsel, (e) to comply with any legal requirement or law applicable to Lender, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating

to this Agreement, (g) to any participant or assignee of Lender or any prospective participant or assignee, provided, that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 6.11 prior to disclosure; or (h) otherwise with the prior consent of the Company; provided, that any disclosure made in violation of this Agreement shall not affect the obligations of the Company or any of its Affiliates under this Agreement.

6.12 Noncompete. During the term of this Agreement and for a period of five years following expiration or termination of this Agreement, Lender and Lender's affiliates shall not within California directly or indirectly engage in the business of making loans to persons seeking approval from ABC for transfers of licenses issued by ABC. The prohibition in the preceding sentence includes any and all activities by Lender or Lender's affiliates as an agent, partner, member, shareholder, owner, consultant, or lender to any business engaged in providing loans to persons seeking ABC's approval for transfers of licenses issued by ABC.

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SIGNATURE PAGE TO LOAN AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers and representatives as of the day and year first written above.

Kim Funding, LLC

By 

Kim H. Peterson, Manager

Duerr Properties, LLC

a California limited liability company

By Albert J. Duerr
Print Name: Albert J. Duerr
Title: Manager

Guaranty

As a material inducement to and in consideration of Duerr Properties, LLC, a California limited liability company ("**Lender**") entering into that certain Loan Agreement dated **September 1, 2018 (the Loan Agreement)**", the undersigned ("**Guarantor**") unconditionally guaranties the full performance of each and all of the terms, covenants, and conditions of the Loan Agreement to be performed by KIM Funding, LLC, a California limited liability company ("**KIM**"), including payment of all principal, interest, and other charges accruing thereunder.

Guarantor waives the benefit of any statute of limitations affecting the Guarantor's liability under this Guaranty.

The provisions of the Loan Agreement may be changed by agreement between Lender and KIM at any time or by course of conduct without the consent of or notice to Guarantor, in which event this Guaranty shall guaranty the performance of the Loan Agreement, as amended.

Lender may without notice assign this Guaranty in whole or in part. No assignment or transfer of the Loan Agreement or any interest therein shall operate to extinguish or diminish the liability of Guarantor hereunder.

This Guaranty shall not be affected by Lender's failure or delay to enforce any of Lender's rights.

If KIM defaults under the Loan Agreement, Lender may proceed immediately against Guarantor or KIM or both, or Lender may enforce against Guarantor or KIM or both any rights that Lender has under the Loan Agreement or pursuant to any applicable laws. If the Loan Agreement terminates and Lender has any rights that Lender can enforce against KIM after termination, Lender shall be entitled to enforce those rights against Guarantor without giving previous notice to KIM or Guarantor and without making any demand on either of them.

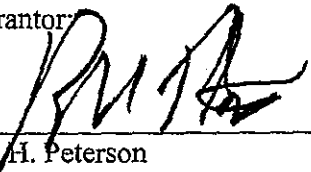
Guarantor waives the right to require Lender to (1) proceed against KIM, (2) proceed against or exhaust any security that Lender holds from KIM, or (3) pursue any other remedy in Lender's power. Guarantor waives any defense by reason of any disability of KIM and any defense based on the termination of KIM's liability from any cause. Guarantor acknowledges that this Guaranty will continue unchanged by any bankruptcy, reorganization or insolvency of KIM or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of KIM. Until all of KIM's obligations to Lender have been discharged in full, Guarantor waives any right of subrogation Guarantor may have against KIM. Guarantor waives Guarantor's right to enforce any remedies that Lender now has or may later have against KIM. Guarantor waives any right to participate in any security now or later held by Lender. Guarantor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor and notices of acceptance of this Guaranty, and all notices of the existence, creation, or incurring of new or additional obligations.

Guarantor shall pay to Lender all costs, including, without limitation, reasonable attorney's fees incurred in the enforcement of the obligations hereby guaranteed or the enforcement of this Guaranty.

The terms and provision of this Guaranty shall be binding upon and inure to the benefit of the respective successors and assigns of Lender and Guarantor.

Dated: **September 1, 2018**

Guarantor:



Kim H. Peterson

Guarantor's Address for Notice:

P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY FEDEX OR PERSONAL SERVICE)

DUERR PROP. LLC

**FIRST AMENDMENT TO THE LOAN AND GUARANTY AGREEMENT DATED SEPTEMBER 1, 2018
AMONG KIM FUNDING LLC AND KIM H. PETERSON AND DUERR PROPERTIES, LLC
("LENDER")**

It is mutually understood and agreed by and among the undersigned contracting parties to amend the previously executed *Loan and Guaranty Agreement* dated September 1, 2018 as follows:

SECTION 1.1: Lender will make an \$8,000,000 loan, versus the previous amount of \$500,000 with an Effective Date of September 20, 2018.

IN WITNESS WHEREOF, the parties heretofore have caused this Amendment to be duly executed by their respective authorized representatives as of September 20, 2018.

KIM FUNDING LLC

By 

Kim H. Peterson, Manager

KIM H. PETERSON

By 

Kim H. Peterson

DUERR PROPERTIES, LLC

By 

Albert J. Duerr, Manager

SECOND AMENDMENT TO THE LOAN AND GUARANTY AGREEMENT DATED SEPTEMBER 1, 2018 AMONG KIM FUNDING LLC AND KIM H. PETERSON AND DUERR PROPERTIES, LLC ("LENDER")

It is mutually understood and agreed by and among the undersigned contracting parties to amend the previously executed *Loan and Guaranty Agreement* dated September 1, 2018 as follows:

SECTION 1.1: Lender will make an \$8,500,000 loan, versus the previous amount of \$8,000,000 with an Effective Date of March 25, 2019.

IN WITNESS WHEREOF, the parties heretofore have caused this Amendment to be duly executed by their respective authorized representatives as of March 25, 2019.

KIM FUNDING LLC

By 
Kim H. Peterson, Manager

KIM H. PETERSON

By 
Kim H. Peterson

DUERR PROPERTIES, LLC

By _____
Albert J. Duerr, Manager

SECOND AMENDMENT TO THE LOAN AND GUARANTY AGREEMENT DATED SEPTEMBER 1, 2018 AMONG KIM FUNDING LLC AND KIM H. PETERSON AND DUERR PROPERTIES, LLC ("LENDER")

It is mutually understood and agreed by and among the undersigned contracting parties to amend the previously executed *Loan and Guaranty Agreement* dated September 1, 2018 as follows:

SECTION 1.1: Lender will make an \$8,500,000 loan, versus the previous amount of \$8,000,000 with an Effective Date of March 26, 2019.

IN WITNESS WHEREOF, the parties heretofore have caused this Amendment to be duly executed by their respective authorized representatives as of March 26, 2019.

KIM FUNDING LLC

By _____
Kim H. Peterson, Manager

KIM H. PETERSON

By _____
Kim H. Peterson

DUERR PROPERTIES, LLC

By Albert J. Duerr
Albert J. Duerr, Manager

DUERR PROPERTIES 8.5

THIRD AMENDMENT TO THE LOAN AND GUARANTY AGREEMENT DATED SEPTEMBER 1, 2018 AMONG KIM FUNDING LLC AND KIM H. PETERSON AND DUERR PROPERTIES, LLC ("LENDER")

It is mutually understood and agreed by and among the undersigned contracting parties to amend the previously executed *Loan and Guaranty Agreement* dated September 1, 2018 as follows:

SECTION 1.6 Interest Rate.

Except as provided below, the interest rate on the unpaid principal amount of the Loan shall be six and four tenths percent (6.4%) per annum. Interest shall commence to accrue on the date Lender delivers to the Company the proceeds of the Loan. Interest shall be computed based on a year consisting of 365 days and on the actual number of days elapsed. Notwithstanding the foregoing, if (1) for any reason, the Agreement between ANI and the Company terminates or (2) all or substantially all of the then pending Escrow Accounts are terminated as a consequence of or in response to a regulation, order, or enforcement action by ABC or Department of Business Oversight, then the interest rate on the Loan shall be the lesser of (i) six and four tenths percent (6.4%) per annum or (ii) the actual amount of points and interest paid by the License Applicants with respect to the Escrow Accounts funded with the proceeds of the Loan.

IN WITNESS WHEREOF, the parties heretofore have caused this Amendment to be duly executed by their respective authorized representatives as of June 20, 2019.

KIM FUNDING LLC

By 

Kim H. Peterson, Manager

KIM H. PETERSON

By 

Kim H. Peterson

DUERR PROPERTIES, LLC

By 

Albert J. Duerr, Manager

EXHIBIT 13

C.A. DUERR

**THIRD AMENDMENT TO THE LOAN AND GUARANTY AGREEMENT DATED OCTOBER 1, 2016
AMONG KIM FUNDING LLC AND KIM H. PETERSON AND CATHERINE D. DUERR ("CDD")**

It is mutually understood and agreed by and among the undersigned contracting parties to amend the previously executed Loan and Guaranty Agreement dated October 1, 2016 as follows:

RECITALS: The fifth paragraph of the Recitals Section is amended in that CDD will provide financing in the principal amount of \$800,000, versus the previous amount of \$300,000.

SECTION 1.1: CDD will make an \$800,000 loan, versus the previous amount of \$300,000 with an Effective Date of September 20, 2018.

IN WITNESS WHEREOF, the parties heretofore have caused this Amendment to be duly executed by their respective authorized representatives as of September 20, 2018.

KIM FUNDING LLC

By 

Kim H. Peterson, Manager

KIM H. PETERSON

By 

Kim H. Peterson

CATHERINE D. DUERR

By Catherine D. Duerr

Catherine D. Duerr

SECOND AMENDMENT TO THE LOAN AND GUARANTY AGREEMENT DATED OCTOBER 1, 2016 AMONG KIM FUNDING, LLC AND KIM H. PETERSON AND CATHERINE D. DUERR

It is mutually understood and agreed by and among the undersigned contracting parties to amend the previously executed *Loan and Guaranty Agreement* dated October 1, 2016 as follows:

SECTION 1.4: Interest Rate. The interest rate shall be eight percent (8.0%) per annum of the unpaid principal amount of the Loan, versus the previous eight and one half percent (8.5%), with an Effective Date of January 1, 2018.

IN WITNESS WHEREOF, the parties heretofore have caused this Amendment to be duly executed by their respective authorized representatives as of April 20, 2018.

KIM FUNDING, LLC

By 
Kim H. Peterson, Manager

KIM H. PETERSON

By 
Kim H. Peterson

CATHERINE D. DUERR

By 
Catherine D. Duerr

Catherine Duerr

**FIRST AMENDMENT TO THE LOAN AND GUARANTY AGREEMENT DATED OCTOBER 1, 2016
AMONG KIM FUNDING LLC AND KIM H. PETERSON AND CATHERINE D. DUERR ("CDD")**

It is mutually understood and agreed by and among the undersigned contracting parties to amend the previously executed *Loan and Guaranty Agreement* dated October 1, 2016 as follows:

RECITALS: The fifth paragraph of the Recitals Section is amended in that CDD will provide financing in the principal amount of \$300,000, versus the previous amount of \$200,000;

SECTION 1.1: CDD will make a \$300,000 loan, versus the previous amount of \$200,000 with an Effective Date of January 12, 2018.

IN WITNESS WHEREOF, the parties heretofore have caused this Amendment to be duly executed by their respective authorized representatives as of January 12, 2018.

KIM FUNDING LLC

By 

Kim H. Peterson, Manager

KIM H. PETERSON

By 

Kim H. Peterson

CATHERINE D. DUERR

By Catherine D. Duerr

Catherine D. Duerr

Catherine Duerr Funded
9/29

LOAN AND GUARANTY AGREEMENT

THIS LOAN AND GUARANTY AGREEMENT ("**Agreement**"), is made and dated as of October 1, 2016, and is entered into by and among Kim Funding, LLC, a California limited liability company (the "**Company**"), Kim H. Peterson ("**Guarantor**"), and Catherine D. Duerr, an individual ("**CDD**").

RECITALS

Whereas, the Company seeks financing in the principal amount of \$200,000.00, the proceeds of which are to be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcoholic Beverage Control as required by state regulations (each an "**Escrow Account**");

Whereas the Company is affiliated with ANI Development, LLC, a California limited liability company ("**ANI**"), and ANI will establish with Chicago Title ("**Escrow Holder**") an Escrow Account pursuant to an agreement (the "**Escrow Agreement**") to accept the proceeds of the Loan (defined below);

Whereas Guarantor has agreed to furnish a continuing guarantee of certain obligations of the Company (Guarantor and the Company each a "**Credit Party**"); and

Whereas CDD is willing to advance the Loan to the Company on the terms and conditions set forth in this Agreement.

Therefore, in consideration of the mutual covenants contained herein, CDD hereby agrees to provide financing in the principal amount of \$200,000.00 to the Company, on the terms and conditions set forth below.

SECTION 1 – GENERAL TERMS

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, CDD will make a \$200,000.00 loan ("**the Loan**") to the Company as of the date of this Agreement (the "**Effective Date**").

Section 1.2 Use of Proceeds. The Company represents, warrants, and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "**License Applicant**") seeking authorization from the California Department of Alcoholic Beverage Control (the "**ABC**") to acquire by transfer a license issued by the ABC.

Section 1.3 Term. As used herein, "**Due Date**" for the Loan means the date that is the earlier of (1.) the third anniversary of the Effective Date or (2.) eight (8) months following the date CDD delivers to the Company a written notice ("**a Demand Notice**") that CDD elects to accelerate the Due Date. In all events, and under all circumstances, on the Due Date, the Company shall pay to CDD all unpaid principal and accrued interest. Following CDD's delivery to the Company of a Demand Notice, the Company may prepay the Loan in whole or in part; however, any partial

prepayment shall first be applied to unpaid accrued interest and then to principal owed under the Loan.

Section 1.4 Interest Rate. The interest rate shall be eight and one-half percent (8.5%) per annum of the unpaid principal amount of the Loan. The principal balance of the Loan shall bear interest thereon from the date the Loan proceeds are delivered to the Company, based on a year consisting of 365 days, with interest computed daily based on the actual number of days elapsed. Accrued interest shall be paid quarterly by the Company to CDD within ten (10) banking days following the end of each fiscal quarterly close (i.e. March, June, September and December). Notwithstanding the foregoing, if for any reason (1.) the agreement between ANI and the Company terminates or (2.) Escrow Agreements have to be terminated as a consequence of an order or demand by the ABC, the California Department of Business Oversight, or other governmental agency, then the interest rate on the Loan shall be reduced to five percent (5%) per annum retroactive to the date on which the most recent quarterly interest payment was due (e.g., if the ANI agreement terminated on November 15, 2017, then the five percent (5%) interest rate would be retroactive to October 13, 2017).

Section 1.5 Maximum Interest. Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge, or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under California law shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction finally determines that the Company has actually paid to CDD an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan, second, after all principal is repaid, to the payment of CDD's accrued interest, costs, expenses, professional fees, and third, the excess (if any) shall be refunded to the Company.

Section 1.6 Payment. If any payment is specified to be made upon a day that is not a business day, it shall be deemed to be specified to be made on the next business day. Payments of both accrued interest and principal shall be paid by wire transfer of immediately available funds to an account CDD may designate to the Company in writing. Payment by wire transfer or other means shall be credited only when actually received by CDD.

SECTION 2 - CONDITIONS PRECEDENT TO LOAN

The obligations of CDD to make the Loan hereunder are subject to the condition that as of the Effective Date, the Company's representations and warranties contained herein shall be true and correct in all material respects.

SECTION 3 - REPRESENTATIONS

Section 3.1 Mutual Representations. Each party makes the representations that:

(a) It is duly organized and validly existing under the laws of the jurisdiction or incorporation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation that is required by this Agreement, to deliver and to perform its obligations under this Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documentation relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) The respective party's obligations under this Agreement and any other documentation related to this Agreement to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(f) No broker's or finder's fee or commission will be payable with respect to the Loan.

Section 3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) Neither this Agreement nor any other document, certificate or statement furnished or to be furnished to CDD by or on behalf of the Company in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact known to the Company which materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to CDD by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) It is not a party to any litigation or administrative proceeding and, so far as is known by the Company, no litigation or administrative proceeding is threatened against it that could, if adversely determined, cause any material adverse change in its property, financial condition or the conduct of its business.

(d) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

(e) It is not a party to any agreement, instrument or undertaking or subject to any other restriction, (a) which materially adversely affects or may in the future so affect the property, financial condition or business operations of the Company, or (b) under or pursuant to which the Company is or will be required to place (or under which any other Person may place) a lien upon any of its properties securing indebtedness either upon demand or upon the happening of a condition, with or without such demand.

Section 3.3 CDD Representations. CDD makes the representations that:

(a) CDD is entering into this Agreement without any present intention of making a sale or other distribution of the Loan made pursuant to this Agreement, provided CDD reserves the right to sell the Loan or participations therein subject to compliance with Section 9.12 below.

(b) CDD meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(c) CDD has the requisite knowledge and experience to assess the relative merits and risks of the Loan.

(d) CDD is aware that this Agreement and the Loan hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws and is subject to restrictions on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – AFFIRMATIVE COVENANTS

Section 4.1 Existence; Compliance with Laws; Businesses and Properties. The Company will do or cause to be done all things reasonably necessary to:

(a) preserve, renew and keep in full force and effect its legal existence under the laws of its jurisdiction of organization;

(b) do or cause to be done all things reasonably necessary to the conduct of its business; and

(c) comply in all material respects with applicable laws, rules, regulations and decrees and orders of any governmental authority, whether now in effect or hereafter enacted.

Section 4.2 Taxes. The Company shall pay and discharge when due all taxes imposed upon it or upon its income or profits or in respect of its property, before the same shall become overdue by more than 45 days, provided that such payment and discharge shall not be required with respect to any such tax so long as the validity or amount thereof is being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves.

SECTION 5 - NEGATIVE COVENANTS

Section 5.1 Conduct of Business. From and after the Effective Date, the Company shall not engage in any business other than (i) the businesses engaged in by the Company on the Effective Date and similar or related businesses and (ii) such other lines of business as the parties may agree.

Section 5.2 Fundamental Changes. The Company may not consolidate or merge with or into or wind up into (whether or not the Company is the surviving entity) and may not sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Company, taken as a whole, in one or more related transactions, to any Person unless:

(a) the Company is the surviving Person formed by or surviving any such consolidation or merger (if other than the Company) or the entity to whom such sale, assignment, transfer, lease, conveyance or other disposition will have been made is organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Person, the "Successor Company");

(b) the Successor Company, if other than the Company, expressly assumes all the obligations of the Company under this Agreement pursuant to documentation reasonably satisfactory to CDD;

(c) immediately after such transaction, no Event of Default (as defined in Section 6) exists; and

(d) Guarantor shall have confirmed its guaranty under this Agreement reasonably satisfactory to CDD;

provided that the Company shall promptly notify CDD of any such transaction and shall take all required actions prior to such transaction.

SECTION 6 - EVENTS OF DEFAULT

6.1 Defaults. The occurrence of any one or more of the following events shall constitute an "Event of Default":

(a) The Company fails to pay (1) any quarterly interest payment and such failure continues for 10 days following CDD's delivery to the Company of written notice of such failure or (2) all principal and accrued interest due under the Loan on the Due Date.

(b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement or any similar loan agreement in effect between the Company and CDD and such default continues for 15 days following CDD's delivery to the Company of written notice of such failure; however, if curing the default reasonably requires more than 15 days, then an Event of Default shall not exist if within 15 days following the Company's receipt of such notice the Company commences to cure the default and thereafter diligently pursues the cure to completion.

(c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan and such default continues for 15 days following CDD's delivery to the Company of written notice of such failure; however, if curing the default reasonably requires more than 15 days, then an Event of Default shall not exist if within 15 days following the Company's receipt of such notice the Company commences to cure the default and thereafter diligently pursues the cure to completion.

(d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to CDD hereunder proves to have been false in any material respect as of the time when made or given.

(e) Litigation or an administrative proceeding is instituted against the Company which could, if adversely determined, cause any material adverse change in the Company's financial condition or the conduct of its business.

(f) The Company or Guarantor (i) becomes insolvent, or (ii) is unable or admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors; or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets; or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent); or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enters into any formal or informal composition or arrangement with its creditors; or (ix) dies.

(g) This Agreement and any of the Loan Documents or the Guaranteed Obligations (as defined in Section 7) for any reason cease to be in full force and effect or are declared null and void, or are revoked or terminated, or the validity or enforceability thereof or hereof is contested by the Company, any member of the Company or Guarantor, or the Company or Guarantor shall deny that it has any or further liability or obligation thereunder or hereunder, as the case may be.

Section 6.2 Notice of Default. Promptly upon the Company's obtaining knowledge of any condition or event that constitutes an Event of Default or that notice has been given to the Company or Guarantor with respect thereto, the Company shall provide written notice to CDD specifying the nature and period of existence of such condition, event or change, or specifying

the notice given and action taken by any such person and the nature of such claimed Event of Default and what action the Company has taken, is taking, and proposes to take with respect thereto.

Section 6.3 Notice of Litigation. Promptly upon the Company's obtaining knowledge of (i) any litigation not previously disclosed in writing by the Company to CDD or (ii) any development in any litigation involving the Company that if adversely determined could be reasonably expected to have a material adverse effect or seeks to enjoin or otherwise prevent the consummation of or to recover any damages or obtain relief as a result of the transactions contemplated hereby, the Company shall provide written notice thereof together with such other information as may be reasonably available to the Company to enable CDD and CDD's counsel to evaluate such matters.

Section 6.4 Effect of an Event of Default. If any Event of Default occurs, at CDD's option all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company. Furthermore, CDD's obligations under this Agreement shall be terminated.

SECTION 7 - GUARANTY

Section 7.1 Limited Guaranty of the Obligations. Guarantor hereby irrevocably and unconditionally guaranties to CDD for the benefit of CDD the due and punctual payment in full of the principal balance of the Loan when the same becomes due (collectively, the "**Guaranteed Obligations**").

Section 7.2 Payment by Guarantor. Guarantor hereby agrees, in furtherance of the foregoing and not in limitation of any other right that CDD may have at law or in equity against Guarantor by virtue hereof, that upon the failure of the Company to pay any of the Guaranteed Obligations when and as the same become due, whether at stated maturity, Guarantor will upon demand pay, or cause to be paid, in freely transferable funds to CDD an amount equal to the sum of the Guaranteed Obligations then due.

Section 7.3 Liability of Guarantor Absolute. Guarantor agrees that Guarantor's obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, Guarantor agrees as follows:

(a) this Guaranty is a guaranty of payment when due and not of collectability; this Guaranty is a primary obligation of Guarantor and not merely a contract of surety;

(b) CDD may enforce this Guaranty upon the occurrence of an Event of Default notwithstanding the existence of any dispute between the Company and CDD with respect to the existence of such Event of Default;

(c) Guarantor's obligations hereunder are independent of the obligations of the Company and the obligations of any other guarantor of the obligations of the Company, and a separate action or actions may be brought and prosecuted against Guarantor whether or not any action is brought against the Company or any of such other guarantors and whether or not the Company is joined in any such action or actions;

(d) payment by Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge Guarantor's liability for any portion of the Guaranteed Obligations that has not been paid; without limiting the generality of the foregoing, if CDD is awarded a judgment in any suit brought to enforce Guarantor's covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release Guarantor from his covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit;

(e) CDD, upon such terms as CDD deems appropriate, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of Guarantor's liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations, (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations, (iii) request and accept other guaranties of the Guaranteed Obligations and take and hold security for the payment hereof or the Guaranteed Obligations, (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person with respect to the Guaranteed Obligations, (v) enforce and apply any security now or hereafter held by or for the benefit of CDD in respect hereof or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that CDD may have against any such security, in each case as CDD in CDD's discretion may determine consistent herewith or any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of Guarantor against any other Credit Party or any security for the Guaranteed Obligations, and (vi) exercise any other rights available to it under the Loan Documents; and

(f) this Guaranty and the obligations of Guarantor hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment in full of the Guaranteed Obligations), including the occurrence of any of the following, whether or not Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce an agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations, (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the

terms or provisions (including provisions relating to Events of Default) hereof, or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guaranteed Obligations, (iii) the Guaranteed Obligations, the Loan Documents or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect, (iv) the application of payments received from any source to the payment of indebtedness other than the Guaranteed Obligations, even though CDD might have elected to apply such payment to any part or all of the Guaranteed Obligations, (v) CDD's consent to the change, reorganization or termination of the corporate structure or existence of the Company or any of its guarantors and to any corresponding restructuring of the Guaranteed Obligations, (vi) any defenses, set-offs or counterclaims which the Company may allege or assert against CDD in respect of the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury, and (vii) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of Guarantor as an obligor in respect of the Guaranteed Obligations.

Section 7.4 Waivers by Guarantor. Guarantor hereby waives, for the benefit of CDD:

(a) any right to require CDD, as a condition of payment or performance by Guarantor, to (i) proceed against the Company, any other guarantor of the Guaranteed Obligations or any other Person or (ii) pursue any other remedy in the power of CDD whatsoever;

(b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Company or any other guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of the Company or any other guarantor from any cause other than payment in full of the Guaranteed Obligations;

(c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

(d) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments and counterclaims, and (iv) promptness, diligence and any requirement that CDD protect, secure, perfect or insure any security interest or lien or any property subject thereto;

(e) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder, or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to the Company and any right to consent to any thereof; and

(f) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof.

Section 7.5 Continuing Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations shall have been paid in full. Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations.

Section 7.6 Authority of Guarantor or the Company. It is not necessary for CDD to inquire into the capacity or powers of Guarantor or the Company or the officers, directors or any agents acting or purporting to act on behalf of any of them.

Section 7.7 Financial Condition of the Company. The Loan may be continued from time to time, without notice to or authorization from Guarantor regardless of the financial or other condition of the Company at the time of any such continuation. CDD shall not have any obligation to disclose or discuss with Guarantor its assessment, or Guarantor's assessment, of the financial condition of the Company. Guarantor has adequate means to obtain information from the Company on a continuing basis concerning the financial condition of the Company and its ability to perform its obligations under this Agreement, and Guarantor assumes the responsibility for being and keeping informed of the financial condition of the Company and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. Guarantor hereby waives and relinquishes any duty on the part of CDD to disclose any matter, fact or thing relating to the business, operations or conditions of the Company now known or hereafter known by CDD.

ARTICLE 8 – EXPENSES AND REIMBURSEMENTS

Section 8.1 Reimbursement. Following an Event of Default, the Company shall pay or reimburse CDD for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by CDD before and after judgment in enforcing, protecting or preserving CDD's rights under this Agreement, the Loan, and other document required hereunder or thereunder.

Section 8.2 Indemnification. The Company agrees to indemnify CDD against any and all losses, claims, damages, liabilities and expenses, (including, without limitation, reasonable attorneys' fees and expenses) incurred by CDD arising out of, in any way connected with, or as a result of any claim, litigation, investigation or proceedings related to the Loan or other obligations of the Company, whether or not CDD is a party thereto, provided that such indemnity shall not apply to any such losses, claims, damages, liabilities or related expenses arising from (a) any unexcused breach by CDD of CDD's obligations under this Agreement or (b) any commitment made by CDD to a Person other than the Company that would be breached by the performance of CDD's obligations under this Agreement.

Section 8.3 Survival. The foregoing agreements and indemnities of this Section 8 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of the Loan

made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 9 - MISCELLANEOUS

Section 9.1 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail, or overnight courier:

If to CDD:

Catherine D. Duerr
19008 Stillmore Street
Canyon Country, CA 91351
Email: duerr.cathy@yahoo.com

If to the Company and Guarantor: Kim H. Peterson

P.O. Box 67637
Rancho Santa Fe, CA 92067
Email: kimharoldpeterson@gmail.com

With a Copy to:

F. Sigmund Luther
401 West A Street, Suite 1625
San Diego, California 92101
Email: sig.luther@gmail.com

Section 9.2 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

Section 9.3 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

Section 9.4 Choice of Law. This Agreement shall be governed by the laws of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court, and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

Section 9.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any Person or circumstance shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other Person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

Section 9.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement, and such waiver shall not be considered a waiver by that party of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to CDD under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to CDD, and nothing shall constitute a waiver by CDD of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

Section 9.7 Exhibits. All exhibits to which reference is made in this Agreement, if any, are deemed incorporated in this Agreement, whether or not actually attached.

Section 9.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties. All amendments, changes, revisions and discharges of this Agreement, in whole or in part, and from time to time shall be binding upon the parties despite any lack of legal consideration, so long as the same shall be in writing and executed by the parties hereto.

Section 9.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, this Agreement shall not be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, neither party is granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, and neither party is in any way liable for any debt of the other.

Section 9.10 Further Acts. Each party shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement, without cost, including the execution and delivery of such documents, and the doing of such acts or things as may be required to satisfy the requirements of the Escrow Agreement.

Section 9.11 Confidentiality. CDD acknowledges that certain information provided to CDD by each Credit Party is confidential and proprietary information of the Credit Party, if and to the extent such information either (x) is marked as confidential by at the time of disclosure or (y) should reasonably be understood to be confidential (the "Confidential Information").

Accordingly, CDD agrees that any Confidential Information CDD may obtain in the course of evaluating a Credit Party shall not be disclosed to any other Person in any manner whatsoever, in whole or in part, without the prior written consent of such Credit Party, except that CDD may disclose any such information (a) to CDD's own general partner, officers, employees, accountants, counsel and other professional advisors and to CDD's affiliates if CDD in CDD's sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with the Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over CDD, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by CDD's counsel, (e) to comply with any legal requirement or law applicable to CDD, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement, (g) to any participant or assignee of CDD or any prospective participant or assignee, provided that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 9.11 prior to disclosure, or (h) otherwise with the prior consent of such Credit Party, provided that any disclosure made in violation of this Agreement shall not affect the obligations of any Credit Party or any of its Affiliates under this Agreement. As used in this Agreement, "Affiliate" means (1) ANI or (2) any person or entity (each a "Person") the Company controls, is controlled by, or under common control with.

Section 9.12 Assignment. The terms of this Agreement shall bind and inure to the benefit of the heirs, devisees, representatives, successors and permitted assigns of the parties. CDD may not sell or assign all or any part of the Loan or any of CDD's interest under this Agreement and any other documents relating to this Agreement to any Person without the Company's prior written consent, which consent shall not be unreasonably withheld. After the effective date of any such assignment, such assignee shall be vested with all rights, powers and remedies of CDD hereunder with respect to the interest so assigned, but with respect to any such interest not so transferred, CDD shall retain all rights, powers and remedies hereby given. No such assignment by CDD shall relieve any Credit Party of any of its obligations hereunder. The Company may not assign or transfer this Loan or any of the Company's obligations under this Agreement and any other documents relating to this Agreement to any Person without CDD's prior written consent.

Section 9.13 No Third-Party Beneficiaries. No provisions of this Agreement or any other documents relating thereto are intended and will not be interpreted to provide or create any third-party beneficiary rights or any other rights of any kind in any Person other than CDD and any Credit Party unless specifically provided otherwise herein, and, except as otherwise so provided, all provisions will be personal and solely between the CDD and the Company.

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Signature Page to Loan and Guaranty Agreement

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

KIM FUNDING, LLC, as the Company

By


Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

CATHERINE D. DUERR

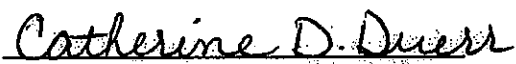

Catherine D. Duerr, an individual

EXHIBIT 14

FENLEY TRUST

**FIRST AMENDMENT TO THE LOAN AND GUARANTY AGREEMENT DATED MARCH 8, 2019
AMONG KIM FUNDING LLC AND KIM H. PETERSON AND SUSAN HELLER FENLEY SEPARATE
PROPERTY TRUST DTD 03/04/2010 ("LENDER")**

It is mutually understood and agreed by and among the undersigned contracting parties to amend the previously executed *Loan and Guaranty Agreement* dated March 8, 2019 as follows:

SECTION 1.1. Lender will make a \$5,000,000 loan, versus the previous amount of \$3,000,000 with an Effective Date of April 1, 2019.

IN WITNESS WHEREOF, the parties heretofore have caused this Amendment to be duly executed by their respective authorized representatives as of April 1, 2019.

KIM FUNDING LLC

By 

Kim H. Peterson, Manager

KIM H. PETERSON

By 

Kim H. Peterson

SUSAN HELLER FENLEY SEPARATE PROPERTY TRUST DTD 03/04/2010

By 

Susan Heller Fenley, TTEE

Trust

LOAN AND GUARANTY AGREEMENT

THIS LOAN AND GUARANTY AGREEMENT ("**Agreement**"), is made and dated as of March 8, 2019, and is entered into by and among Kim Funding, LLC, a California limited liability company (the "**Company**"), Kim H. Peterson ("**Guarantor**"), and Susan Heller Fenley Separate Property Trust DTD 03/04/2010, a California trust ("**SHFSPT or Lender**").

RECITALS

Whereas, the Company seeks financing in the principal amount of \$3,000,000.00, the proceeds of which are to be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcoholic Beverage Control as required by state regulations (each an "**Escrow Account**");

Whereas the Company is affiliated with ANI Development, LLC, a California limited liability company ("**ANI**"), and ANI will establish with Chicago Title ("**Escrow Holder**") an Escrow Account pursuant to an agreement (the "**Escrow Agreement**") to accept the proceeds of the Loan (defined below);

Whereas Guarantor has agreed to furnish a continuing guarantee of certain obligations of the Company (Guarantor and the Company each a "**Credit Party**"); and

Whereas SHFSPT is willing to advance the Loan to the Company on the terms and conditions set forth in this Agreement.

Therefore, in consideration of the mutual covenants contained herein, SHFSPT hereby agrees to provide financing in the principal amount of \$3,000,000.00 to the Company, on the terms and conditions set forth below.

SECTION 1 – GENERAL TERMS

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, SHFSPT will make a \$3,000,000.00 loan ("**the Loan**") to the Company as of the date of this Agreement (the "**Effective Date**").

Section 1.2 Use of Proceeds. The Company represents, warrants, and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "**License Applicant**") seeking authorization from the California Department of Alcoholic Beverage Control (the "**ABC**") to acquire by transfer a license issued by the ABC.

Section 1.3 Term. Lender's obligation to fund the Loan shall cease on **March 8, 2024** ("**the Termination Date**") however if Lender elects not to require repayment of the

Loan on the Termination Date, the terms and conditions of this Agreement shall continue to apply to the Loan until the Loan is paid in full.

Section 1.4 Interest Rate. Except as provided below, the interest rate on the unpaid principal amount of the Loan shall be **six and four tenths percent (6.4%)** per annum. Interest shall commence to accrue on the date Lender delivers to the Company the proceeds of the Loan. Interest shall be computed based on a year consisting of 365 days and on the actual number of days elapsed. Notwithstanding the foregoing, if (1) for any reason, the Agreement between ANI and the Company terminates or (2) all or substantially all of the then pending Escrow Accounts are terminated as a consequence of or in response to a regulation, order, or enforcement action by ABC or Department of Business Oversight, then the interest rate on the Loan shall be the lesser of (i) **six and four tenths percent (6.4%)** per annum or (ii) the actual amount of points and interest paid by the License Applicants with respect to the Escrow Accounts funded with the proceeds of the Loan.

Section 1.5 Maximum Interest. Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge, or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under California law shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction finally determines that the Company has actually paid to SHFSPT an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan, second, after all principal is repaid, to the payment of SHFSPT's accrued interest, costs, expenses, professional fees, and third, the excess (if any) shall be refunded to the Company.

Section 1.6 Payment. All unpaid principal and unpaid accrued interest under this Agreement shall be due on the Termination Date. As used herein, "Interest Payment Date" means the tenth (10th) Business Day after January 1, April 1, July 1, and October 1 of each year this Agreement remains in effect. Commencing on the first Interest Payment Date following the date of this Agreement and continuing on each Interest Payment Date thereafter, the Company shall pay to Lender interest accrued during the preceding three calendar months. The Company reserves the right to prepay the Loan in whole or in part at any time(s) without penalty or additional charge. As used in this Agreement, "**Business Day**" shall mean any day other than a Saturday, Sunday or day on which banks in New York City are generally authorized or required by law to close.

SECTION 2 – CONDITIONS PRECEDENT TO LOAN

The obligations of SHFSPT to make the Loan hereunder are subject to the condition that as of the Effective Date, the Company's representations and warranties contained herein shall be true and correct in all material respects.

SECTION 3 – REPRESENTATIONS

Section 3.1 Mutual Representations. Each party makes the representations that:

- (a) It is duly organized and validly existing under the laws of the jurisdiction or incorporation and, if relevant under such law, in good standing.
- (b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation that is required by this Agreement, to deliver and to perform its obligations under this Agreement and has taken all necessary actions to authorize such execution, delivery and performance.
- (c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.
- (d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documentation relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.
- (e) The respective party's obligations under this Agreement and any other documentation related to this Agreement to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

Section 3.2 Company Representations. The Company makes the representations that:

- (a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.
- (b) Neither this Agreement nor any other document, certificate or statement furnished or to be furnished to SHFSPT by or on behalf of the Company in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact known to the Company which materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to SHFSPT by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated

hereby.

(c) It is not a party to any litigation or administrative proceeding and, so far as is known by the Company, no litigation or administrative proceeding is threatened against it that could, if adversely determined, cause any material adverse change in its property, financial condition or the conduct of its business.

(d) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

(e) It is not a party to any agreement, instrument or undertaking or subject to any other restriction, (a) which materially adversely affects or may in the future so affect the property, financial condition or business operations of the Company, or (b) under or pursuant to which the Company is or will be required to place (or under which any other Person may place) a lien upon any of its properties securing indebtedness either upon demand or upon the happening of a condition, with or without such demand.

Section 3.3 SHFSPT Representations. SHFSPT makes the representations that:

(a) SHFSPT is entering into this Agreement without any present intention of making a sale or other distribution of the Loan made pursuant to this Agreement, provided SHFSPT reserves the right to sell the Loan or participations therein subject to compliance with Section 9.12 below.

(b) SHFSPT meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(c) SHFSPT has the requisite knowledge and experience to assess the relative merits and risks of the Loan.

(d) SHFSPT is aware that this Agreement and the Loan hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws and is subject to restrictions on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – AFFIRMATIVE COVENANTS

Section 4.1 Existence; Compliance with Laws; Businesses and Properties. The Company will do or cause to be done all things reasonably necessary to:

- (a) preserve, renew and keep in full force and effect its legal existence under the laws of its jurisdiction of organization;
- (b) do or cause to be done all things reasonably necessary to the conduct of its business; and
- (c) comply in all material respects with applicable laws, rules, regulations and decrees and orders of any governmental authority, whether now in effect or hereafter enacted.

Section 4.2 Taxes. The Company shall pay and discharge when due all taxes imposed upon it or upon its income or profits or in respect of its property, before the same shall become overdue by more than 45 days, provided that such payment and discharge shall not be required with respect to any such tax so long as the validity or amount thereof is being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves.

SECTION 5 – NEGATIVE COVENANTS

Section 5.1 Conduct of Business. From and after the Effective Date, the Company shall not engage in any business other than (i) the businesses engaged in by the Company on the Effective Date and similar or related businesses and (ii) such other lines of business as the parties may agree.

Section 5.2 Fundamental Changes. The Company may not consolidate or merge with or into or wind up into (whether or not the Company is the surviving entity) and may not sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Company, taken as a whole, in one or more related transactions, to any Person unless:

- (a) the Company is the surviving Person formed by or surviving any such consolidation or merger (if other than the Company) or the entity to whom such sale, assignment, transfer, lease, conveyance or other disposition will have been made is organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Person, the "Successor Company");
- (b) the Successor Company, if other than the Company, expressly assumes all the obligations of the Company under this Agreement pursuant to documentation reasonably satisfactory to SHFSPT;
- (c) immediately after such transaction, no Event of Default (as defined in

Section 6) exists; and

(d) Guarantor shall have confirmed its guaranty under this Agreement reasonably satisfactory to SHFSPT;

provided that the Company shall promptly notify SHFSPT of any such transaction and shall take all required actions prior to such transaction.

SECTION 6 – EVENTS OF DEFAULT

Section 6.1 Defaults. The occurrence of any one or more of the following events shall constitute an "Event of Default":

(a) The Company fails to pay (1) any quarterly interest payment and such failure continues for 10 days following SHFSPT's delivery to the Company of written notice of such failure or (2) all principal and accrued interest due under the Loan on the Due Date.

(b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement or any similar loan agreement in effect between the Company and SHFSPT and such default continues for 15 days following SHFSPT's delivery to the Company of written notice of such failure; however, if curing the default reasonably requires more than 15 days, then an Event of Default shall not exist if within 15 days following the Company's receipt of such notice the Company commences to cure the default and thereafter diligently pursues the cure to completion.

(c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan and such default continues for 15 days following SHFSPT's delivery to the Company of written notice of such failure; however, if curing the default reasonably requires more than 15 days, then an Event of Default shall not exist if within 15 days following the Company's receipt of such notice the Company commences to cure the default and thereafter diligently pursues the cure to completion.

(d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to SHFSPT hereunder proves to have been false in any material respect as of the time when made or given.

(e) Litigation or an administrative proceeding is instituted against the Company which could, if adversely determined, cause any material adverse change in the Company's financial condition or the conduct of its business.

(f) The Company or Guarantor (i) becomes insolvent, or (ii) is unable or

admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors; or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets; or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent); or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enters into any formal or informal composition or arrangement with its creditors; or (ix) dies.

(g) This Agreement and any of the Loan Documents or the Guaranteed Obligations (as defined in Section 7) for any reason cease to be in full force and effect or are declared null and void, or are revoked or terminated, or the validity or enforceability thereof or hereof is contested by the Company, any member of the Company or Guarantor, or the Company or Guarantor shall deny that it has any or further liability or obligation thereunder or hereunder, as the case may be.

Section 6.2 Notice of Default. Promptly upon the Company's obtaining knowledge of any condition or event that constitutes an Event of Default or that notice has been given to the Company or Guarantor with respect thereto, the Company shall provide written notice to SHFSPT specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such person and the nature of such claimed Event of Default and what action the Company has taken, is taking, and proposes to take with respect thereto.

Section 6.3 Notice of Litigation. Promptly upon the Company's obtaining knowledge of (i) any litigation not previously disclosed in writing by the Company to SHFSPT or (ii) any development in any litigation involving the Company that if adversely determined could be reasonably expected to have a material adverse effect or seeks to enjoin or otherwise prevent the consummation of or to recover any damages or obtain relief as a result of the transactions contemplated hereby, the Company shall provide written notice thereof together with such other information as may be reasonably available to the Company to enable SHFSPT and SHFSPT's counsel to evaluate such matters.

Section 6.4 Effect of an Event of Default. If any Event of Default occurs, at SHFSPT's option all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company. Furthermore, SHFSPT's obligations under this Agreement shall be terminated.

SECTION 7 – GUARANTY

Section 7.1 Limited Guaranty of the Obligations. Guarantor hereby irrevocably and unconditionally guaranties to SHFSPT for the benefit of SHFSPT the due and punctual payment in full of the principal balance of the Loan when the same becomes due (collectively, the "Guaranteed Obligations").

Section 7.2 Payment by Guarantor. Guarantor hereby agrees, in furtherance of the foregoing and not in limitation of any other right that SHFSPT may have at law or in equity against Guarantor by virtue hereof, that upon the failure of the Company to pay any of the Guaranteed Obligations when and as the same become due, whether at stated maturity, Guarantor will upon demand pay, or cause to be paid, in freely transferable funds to SHFSPT an amount equal to the sum of the Guaranteed Obligations then due.

Section 7.3 Liability of Guarantor Absolute. Guarantor agrees that Guarantor's obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, Guarantor agrees as follows:

- (a) this Guaranty is a guaranty of payment when due and not of collectability; this Guaranty is a primary obligation of Guarantor and not merely a contract of surety;
- (b) SHFSPT may enforce this Guaranty upon the occurrence of an Event of Default notwithstanding the existence of any dispute between the Company and SHFSPT with respect to the existence of such Event of Default;
- (c) Guarantor's obligations hereunder are independent of the obligations of the Company and the obligations of any other guarantor of the obligations of the Company, and a separate action or actions may be brought and prosecuted against Guarantor whether or not any action is brought against the Company or any of such other guarantors and whether or not the Company is joined in any such action or actions;
- (d) payment by Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge Guarantor's liability for any portion of the Guaranteed Obligations that has not been paid; without limiting the generality of the foregoing, if SHFSPT is awarded a judgment in any suit brought to enforce Guarantor's covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release Guarantor from his covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit;
- (e) SHFSPT, upon such terms as SHFSPT deems appropriate, without notice or demand and without affecting the validity or enforceability hereof or

giving rise to any reduction, limitation, impairment, discharge or termination of Guarantor's liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations, (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations, (iii) request and accept other guaranties of the Guaranteed Obligations and take and hold security for the payment hereof or the Guaranteed Obligations, (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person with respect to the Guaranteed Obligations, (v) enforce and apply any security now or hereafter held by or for the benefit of SHFSPT in respect hereof or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that SHFSPT may have against any such security, in each case as SHFSPT in SHFSPT's discretion may determine consistent herewith or any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of Guarantor against any other Credit Party or any security for the Guaranteed Obligations, and (vi) exercise any other rights available to it under the Loan Documents; and

(f) this Guaranty and the obligations of Guarantor hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment in full of the Guaranteed Obligations), including the occurrence of any of the following, whether or not Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce an agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations, (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including provisions relating to Events of Default) hereof, or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guaranteed Obligations, (iii) the Guaranteed Obligations, the Loan Documents or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect, (iv) the application of payments received from any source to the payment of indebtedness other than the Guaranteed Obligations, even though SHFSPT might have elected to apply such payment to any part or all of the Guaranteed Obligations, (v) SHFSPT's consent to the change, reorganization or termination of the corporate structure or existence of the Company or any of its guarantors and to any corresponding restructuring of the Guaranteed Obligations, (vi) any defenses, set-offs or counterclaims which the Company may allege or assert against SHFSPT in respect of the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of

limitations, accord and satisfaction and usury, and (vii) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of Guarantor as an obligor in respect of the Guaranteed Obligations.

Section 7.4 Waivers by Guarantor. Guarantor hereby waives, for the benefit of SHFSPT:

(a) any right to require SHFSPT, as a condition of payment or performance by Guarantor, to (i) proceed against the Company, any other guarantor of the Guaranteed Obligations or any other Person or (ii) pursue any other remedy in the power of SHFSPT whatsoever;

(b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Company or any other guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of the Company or any other guarantor from any cause other than payment in full of the Guaranteed Obligations;

(c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

(d) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments and counterclaims, and (iv) promptness, diligence and any requirement that SHFSPT protect, secure, perfect or insure any security interest or lien or any property subject thereto;

(e) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder, or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to the Company and any right to consent to any thereof; and

(f) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof.

Section 7.5 Continuing Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations shall have been paid in full. Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations.

Section 7.6 Authority of Guarantor or the Company. It is not necessary for SHFSPT

to inquire into the capacity or powers of Guarantor or the Company or the officers, directors or any agents acting or purporting to act on behalf of any of them.

Section 7.7 Financial Condition of the Company. The Loan may be continued from time to time, without notice to or authorization from Guarantor regardless of the financial or other condition of the Company at the time of any such continuation. SHFSPT shall not have any obligation to disclose or discuss with Guarantor its assessment, or Guarantor's assessment, of the financial condition of the Company. Guarantor has adequate means to obtain information from the Company on a continuing basis concerning the financial condition of the Company and its ability to perform its obligations under this Agreement, and Guarantor assumes the responsibility for being and keeping informed of the financial condition of the Company and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. Guarantor hereby waives and relinquishes any duty on the part of SHFSPT to disclose any matter, fact or thing relating to the business, operations or conditions of the Company now known or hereafter known by SHFSPT.

ARTICLE 8 – EXPENSES AND REIMBURSEMENTS

Section 8.1 Reimbursement. Following an Event of Default, the Company shall pay or reimburse SHFSPT for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by SHFSPT before and after judgment in enforcing, protecting or preserving SHFSPT's rights under this Agreement, the Loan, and other document required hereunder or thereunder.

Section 8.2 Indemnification. The Company agrees to indemnify SHFSPT against any and all losses, claims, damages, liabilities and expenses, (including, without limitation, reasonable attorneys' fees and expenses) incurred by SHFSPT arising out of, in any way connected with, or as a result of any claim, litigation, investigation or proceedings related to the Loan or other obligations of the Company, whether or not SHFSPT is a party thereto, provided that such indemnity shall not apply to any such losses, claims, damages, liabilities or related expenses arising from (a) any unexcused breach by SHFSPT of SHFSPT's obligations under this Agreement or (b) any commitment made by SHFSPT to a Person other than the Company that would be breached by the performance of SHFSPT's obligations under this Agreement.

Section 8.3 Survival. The foregoing agreements and indemnities of this Section 8 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of the Loan made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 9 - MISCELLANEOUS

Section 9.1 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail, or overnight courier:

If to SHFSPT: Susan Heller Fenley

7756 Country Lane
Pleasanton, California 94566-9745
Email: fenleysue@gmail.com

If to the Company and Guarantor: Kim H. Peterson

P.O. Box 67637
Rancho Santa Fe, CA 92067
Email: kimharoldpeterson@gmail.com

With a Copy to:

F. Sigmund Luther
401 West A Street, Suite 1625
San Diego, California 92101
Email: sig.luther@gmail.com

Section 9.2 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

Section 9.3 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

Section 9.4 Choice of Law. This Agreement shall be governed by the laws of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court, and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

Section 9.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any Person or circumstance shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other Person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

Section 9.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement, and such waiver shall not be considered a waiver by that party of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to SHFSPT under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to SHFSPT, and nothing shall constitute a waiver by SHFSPT of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

Section 9.7 Exhibits. All exhibits to which reference is made in this Agreement, if any, are deemed incorporated in this Agreement, whether or not actually attached.

Section 9.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties. All amendments, changes, revisions and discharges of this Agreement, in whole or in part, and from time to time shall be binding upon the parties despite any lack of legal consideration, so long as the same shall be in writing and executed by the parties hereto.

Section 9.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, this Agreement shall not be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, neither party is granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, and neither party is in any way liable for any debt of the other.

Section 9.10 Further Acts. Each party shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement, without cost, including the execution and delivery of such documents, and the doing of such acts or things as may be required to satisfy the requirements of the Escrow Agreement.

Section 9.11 Confidentiality. SHFSPT acknowledges that certain information provided to SHFSPT by each Credit Party is confidential and proprietary information of the Credit Party, if and to the extent such information either (x) is marked as confidential by at the time of disclosure or (y) should reasonably be understood to be confidential (the "Confidential Information").

Accordingly, SHFSPT agrees that any Confidential Information SHFSPT may obtain in the course of evaluating a Credit Party shall not be disclosed to any other Person in any manner whatsoever, in whole or in part, without the prior written consent of such Credit

Party, except that SHFSPT may disclose any such information (a) to SHFSPT's own general partner, officers, employees, accountants, counsel and other professional advisors and to SHFSPT's affiliates if SHFSPT in SHFSPT's sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with the Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over SHFSPT, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by SHFSPT's counsel, (e) to comply with any legal requirement or law applicable to SHFSPT, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement, (g) to any participant or assignee of SHFSPT or any prospective participant or assignee, provided that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 9.11 prior to disclosure, or (h) otherwise with the prior consent of such Credit Party, provided that any disclosure made in violation of this Agreement shall not affect the obligations of any Credit Party or any of its Affiliates under this Agreement. As used in this Agreement, "Affiliate" means (1) ANI or (2) any person or entity (each a "Person") the Company controls, is controlled by, or under common control with.

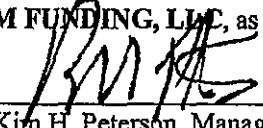
Section 9.12 Assignment. The terms of this Agreement shall bind and inure to the benefit of the heirs, devisees, representatives, successors and permitted assigns of the parties. SHFSPT may not sell or assign all or any part of the Loan or any of SHFSPT's interest under this Agreement and any other documents relating to this Agreement to any Person without the Company's prior written consent, which consent shall not be unreasonably withheld. After the effective date of any such assignment, such assignee shall be vested with all rights, powers and remedies of SHFSPT hereunder with respect to the interest so assigned, but with respect to any such interest not so transferred, SHFSPT shall retain all rights, powers and remedies hereby given. No such assignment by SHFSPT shall relieve any Credit Party of any of its obligations hereunder. The Company may not assign or transfer this Loan or any of the Company's obligations under this Agreement and any other documents relating to this Agreement to any Person without SHFSPT's prior written consent.

Section 9.13 No Third-Party Beneficiaries. No provisions of this Agreement or any other documents relating thereto are intended and will not be interpreted to provide or create any third-party beneficiary rights or any other rights of any kind in any Person other than SHFSPT and any Credit Party unless specifically provided otherwise herein, and, except as otherwise so provided, all provisions will be personal and solely between the SHFSPT and the Company.


Signature Page to Loan and Guaranty Agreement

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

KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor

By 
Kim H. Peterson

SUSAN HELLER FENLEY SEPARATE PROPERTY TRUST DTD 03/04/2010

By 
Susan Heller Fenley, TTEE

EXHIBIT 15

FENLEY
IRA

LOAN AND GUARANTY AGREEMENT

THIS LOAN AND GUARANTY AGREEMENT ("Agreement"), is made and dated as of April 1, 2019, and is entered into by and among Kim Funding, LLC, a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and Susan Heller Fenley Inherited Roth IRA, a retirement account ("SHFIRI or Lender").

RECITALS

Whereas, the Company seeks financing in the principal amount of 1,000,000.00, the proceeds of which are to be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcoholic Beverage Control as required by state regulations (each an "Escrow Account");

Whereas the Company is affiliated with ANI Development, LLC, a California limited liability company ("ANI"), and ANI will establish with Chicago Title ("Escrow Holder") an Escrow Account pursuant to an agreement (the "Escrow Agreement") to accept the proceeds of the Loan (defined below);

Whereas Guarantor has agreed to furnish a continuing guarantee of certain obligations of the Company (Guarantor and the Company each a "Credit Party"); and

Whereas SHFIRI is willing to advance the Loan to the Company on the terms and conditions set forth in this Agreement.

Therefore, in consideration of the mutual covenants contained herein, SHFIRI hereby agrees to provide financing in the principal amount of \$1,000,000.00 to the Company, on the terms and conditions set forth below.

SECTION 1 – GENERAL TERMS

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, SHFIRI will make a \$1,000,000.00 loan ("the Loan") to the Company as of the date of this Agreement (the "Effective Date").

Section 1.2 Use of Proceeds. The Company represents, warrants, and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by the ABC.

Section 1.3 Term. Lender's obligation to fund the Loan shall cease on April 1, 2024 ("the Termination Date") however if Lender elects not to require repayment of the

Loan on the Termination Date, the terms and conditions of this Agreement shall continue to apply to the Loan until the Loan is paid in full.

Section 1.4 Interest Rate. Except as provided below, the interest rate on the unpaid principal amount of the Loan shall be **six and four tenths percent (6.4%)** per annum. Interest shall commence to accrue on the date Lender delivers to the Company the proceeds of the Loan. Interest shall be computed based on a year consisting of 365 days and on the actual number of days elapsed. Notwithstanding the foregoing, if (1) for any reason, the Agreement between ANI and the Company terminates or (2) all or substantially all of the then pending Escrow Accounts are terminated as a consequence of or in response to a regulation, order, or enforcement action by ABC or Department of Business Oversight, then the interest rate on the Loan shall be the lesser of (i) **six and four tenths percent (6.4%)** per annum or (ii) the actual amount of points and interest paid by the License Applicants with respect to the Escrow Accounts funded with the proceeds of the Loan.

Section 1.5 Maximum Interest. Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge, or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under California law shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction finally determines that the Company has actually paid to SHFIRI an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan, second, after all principal is repaid, to the payment of SHFIRI's accrued interest, costs, expenses, professional fees, and third, the excess (if any) shall be refunded to the Company.

Section 1.6 Payment. All unpaid principal and unpaid accrued interest under this Agreement shall be due on the Termination Date. As used herein, "Interest Payment Date" means the tenth (10th) Business Day after January 1, April 1, July 1, and October 1 of each year this Agreement remains in effect. Commencing on the first Interest Payment Date following the date of this Agreement and continuing on each Interest Payment Date thereafter, the Company shall pay to Lender interest accrued during the preceding three calendar months. The Company reserves the right to prepay the Loan in whole or in part at any time(s) without penalty or additional charge. As used in this Agreement, "Business Day" shall mean any day other than a Saturday, Sunday or day on which banks in New York City are generally authorized or required by law to close.

SECTION 2 – CONDITIONS PRECEDENT TO LOAN

The obligations of SHFIRI to make the Loan hereunder are subject to the condition that as of the Effective Date, the Company's representations and warranties contained herein shall be true and correct in all material respects.

SECTION 3 – REPRESENTATIONS

Section 3.1 Mutual Representations. Each party makes the representations that:

- (a) It is duly organized and validly existing under the laws of the jurisdiction or incorporation and, if relevant under such law, in good standing.
- (b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation that is required by this Agreement, to deliver and to perform its obligations under this Agreement and has taken all necessary actions to authorize such execution, delivery and performance.
- (c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.
- (d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documentation relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.
- (e) The respective party's obligations under this Agreement and any other documentation related to this Agreement to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

Section 3.2 Company Representations. The Company makes the representations that:

- (a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.
- (b) Neither this Agreement nor any other document, certificate or statement furnished or to be furnished to SHFIRI by or on behalf of the Company in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact known to the Company which materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to SHFIRI by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated

hereby.

(c) It is not a party to any litigation or administrative proceeding and, so far as is known by the Company, no litigation or administrative proceeding is threatened against it that could, if adversely determined, cause any material adverse change in its property, financial condition or the conduct of its business.

(d) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

(e) It is not a party to any agreement, instrument or undertaking or subject to any other restriction, (a) which materially adversely affects or may in the future so affect the property, financial condition or business operations of the Company, or (b) under or pursuant to which the Company is or will be required to place (or under which any other Person may place) a lien upon any of its properties securing indebtedness either upon demand or upon the happening of a condition, with or without such demand.

Section 3.3 SHFIRI Representations. SHFIRI makes the representations that:

(a) SHFIRI is entering into this Agreement without any present intention of making a sale or other distribution of the Loan made pursuant to this Agreement, provided SHFIRI reserves the right to sell the Loan or participations therein subject to compliance with Section 9.12 below.

(b) SHFIRI meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(c) SHFIRI has the requisite knowledge and experience to assess the relative merits and risks of the Loan.

(d) SHFIRI is aware that this Agreement and the Loan hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws and is subject to restrictions on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – AFFIRMATIVE COVENANTS

Section 4.1 Existence; Compliance with Laws; Businesses and Properties. The Company will do or cause to be done all things reasonably necessary to:

- (a) preserve, renew and keep in full force and effect its legal existence under the laws of its jurisdiction of organization;
- (b) do or cause to be done all things reasonably necessary to the conduct of its business; and
- (c) comply in all material respects with applicable laws, rules, regulations and decrees and orders of any governmental authority, whether now in effect or hereafter enacted.

Section 4.2 Taxes. The Company shall pay and discharge when due all taxes imposed upon it or upon its income or profits or in respect of its property, before the same shall become overdue by more than 45 days, provided that such payment and discharge shall not be required with respect to any such tax so long as the validity or amount thereof is being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves.

SECTION 5 – NEGATIVE COVENANTS

Section 5.1 Conduct of Business. From and after the Effective Date, the Company shall not engage in any business other than (i) the businesses engaged in by the Company on the Effective Date and similar or related businesses and (ii) such other lines of business as the parties may agree.

Section 5.2 Fundamental Changes. The Company may not consolidate or merge with or into or wind up into (whether or not the Company is the surviving entity) and may not sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Company, taken as a whole, in one or more related transactions, to any Person unless:

- (a) the Company is the surviving Person formed by or surviving any such consolidation or merger (if other than the Company) or the entity to whom such sale, assignment, transfer, lease, conveyance or other disposition will have been made is organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Person, the "Successor Company");
- (b) the Successor Company, if other than the Company, expressly assumes all the obligations of the Company under this Agreement pursuant to documentation reasonably satisfactory to SHFIRI;
- (c) immediately after such transaction, no Event of Default (as defined in

Section 6) exists; and

(d) Guarantor shall have confirmed its guaranty under this Agreement reasonably satisfactory to SHFIRI;

provided that the Company shall promptly notify SHFIRI of any such transaction and shall take all required actions prior to such transaction.

SECTION 6 – EVENTS OF DEFAULT

Section 6.1 Defaults. The occurrence of any one or more of the following events shall constitute an "Event of Default":

(a) The Company fails to pay (1) any quarterly interest payment and such failure continues for 10 days following SHFIRI's delivery to the Company of written notice of such failure, or (2) all principal and accrued interest due under the Loan on the Due Date.

(b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement or any similar loan agreement in effect between the Company and SHFIRI and such default continues for 15 days following SHFIRI's delivery to the Company of written notice of such failure; however, if curing the default reasonably requires more than 15 days, then an Event of Default shall not exist if within 15 days following the Company's receipt of such notice the Company commences to cure the default and thereafter diligently pursues the cure to completion.

(c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan and such default continues for 15 days following SHFIRI's delivery to the Company of written notice of such failure; however, if curing the default reasonably requires more than 15 days, then an Event of Default shall not exist if within 15 days following the Company's receipt of such notice the Company commences to cure the default and thereafter diligently pursues the cure to completion.

(d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to SHFIRI hereunder proves to have been false in any material respect as of the time when made or given.

(e) Litigation or an administrative proceeding is instituted against the Company which could, if adversely determined, cause any material adverse change in the Company's financial condition or the conduct of its business.

(f) The Company or Guarantor (i) becomes insolvent, or (ii) is unable or

admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors; or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets; or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent); or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enters into any formal or informal composition or arrangement with its creditors; or (ix) dies.

(g) This Agreement and any of the Loan Documents or the Guaranteed Obligations (as defined in Section 7) for any reason cease to be in full force and effect or are declared null and void, or are revoked or terminated, or the validity or enforceability thereof or hereof is contested by the Company, any member of the Company or Guarantor, or the Company or Guarantor shall deny that it has any or further liability or obligation thereunder or hereunder, as the case may be.

Section 6.2 Notice of Default. Promptly upon the Company's obtaining knowledge of any condition or event that constitutes an Event of Default or that notice has been given to the Company or Guarantor with respect thereto, the Company shall provide written notice to SHFIRI specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such person and the nature of such claimed Event of Default and what action the Company has taken, is taking, and proposes to take with respect thereto.

Section 6.3 Notice of Litigation. Promptly upon the Company's obtaining knowledge of (i) any litigation not previously disclosed in writing by the Company to SHFIRI or (ii) any development in any litigation involving the Company that if adversely determined could be reasonably expected to have a material adverse effect or seeks to enjoin or otherwise prevent the consummation of or to recover any damages or obtain relief as a result of the transactions contemplated hereby, the Company shall provide written notice thereof together with such other information as may be reasonably available to the Company to enable SHFIRI and SHFIRI's counsel to evaluate such matters.

Section 6.4 Effect of an Event of Default. If any Event of Default occurs, at SHFIRI's option all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company. Furthermore, SHFIRI's obligations under this Agreement shall be terminated.

SECTION 7 – GUARANTY

Section 7.1 Limited Guaranty of the Obligations. Guarantor hereby irrevocably and unconditionally guaranties to SHFIRI for the benefit of SHFIRI the due and punctual payment in full of the principal balance of the Loan when the same becomes due (collectively, the "Guaranteed Obligations").

Section 7.2 Payment by Guarantor. Guarantor hereby agrees, in furtherance of the foregoing and not in limitation of any other right that SHFIRI may have at law or in equity against Guarantor by virtue hereof, that upon the failure of the Company to pay any of the Guaranteed Obligations when and as the same become due, whether at stated maturity, Guarantor will upon demand pay, or cause to be paid, in freely transferable funds to SHFIRI an amount equal to the sum of the Guaranteed Obligations then due.

Section 7.3 Liability of Guarantor Absolute. Guarantor agrees that Guarantor's obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, Guarantor agrees as follows:

- (a) this Guaranty is a guaranty of payment when due and not of collectability; this Guaranty is a primary obligation of Guarantor and not merely a contract of surety;
- (b) SHFIRI may enforce this Guaranty upon the occurrence of an Event of Default notwithstanding the existence of any dispute between the Company and SHFIRI with respect to the existence of such Event of Default;
- (c) Guarantor's obligations hereunder are independent of the obligations of the Company and the obligations of any other guarantor of the obligations of the Company, and a separate action or actions may be brought and prosecuted against Guarantor whether or not any action is brought against the Company or any of such other guarantors and whether or not the Company is joined in any such action or actions;
- (d) payment by Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge Guarantor's liability for any portion of the Guaranteed Obligations that has not been paid; without limiting the generality of the foregoing, if SHFIRI is awarded a judgment in any suit brought to enforce Guarantor's covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release Guarantor from his covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit;
- (e) SHFIRI, upon such terms as SHFIRI deems appropriate, without notice or demand and without affecting the validity or enforceability hereof or

giving rise to any reduction, limitation, impairment, discharge or termination of Guarantor's liability hereunder; from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations, (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations, (iii) request and accept other guaranties of the Guaranteed Obligations and take and hold security for the payment hereof or the Guaranteed Obligations, (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person with respect to the Guaranteed Obligations, (v) enforce and apply any security now or hereafter held by or for the benefit of SHFIRI in respect hereof or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that SHFIRI may have against any such security, in each case as SHFIRI in SHFIRI's discretion may determine consistent herewith or any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of Guarantor against any other Credit Party or any security for the Guaranteed Obligations, and (vi) exercise any other rights available to it under the Loan Documents; and

(f) this Guaranty and the obligations of Guarantor hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment in full of the Guaranteed Obligations), including the occurrence of any of the following, whether or not Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce an agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations, (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including provisions relating to Events of Default) hereof, or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guaranteed Obligations, (iii) the Guaranteed Obligations, the Loan Documents or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect, (iv) the application of payments received from any source to the payment of indebtedness other than the Guaranteed Obligations, even though SHFIRI might have elected to apply such payment to any part or all of the Guaranteed Obligations, (v) SHFIRI's consent to the change, reorganization or termination of the corporate structure or existence of the Company or any of its guarantors and to any corresponding restructuring of the Guaranteed Obligations, (vi) any defenses, set-offs or counterclaims which the Company may allege or assert against SHFIRI in respect of the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of

limitations, accord and satisfaction and usury, and (vii) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of Guarantor as an obligor in respect of the Guaranteed Obligations.

Section 7.4 Waivers by Guarantor. Guarantor hereby waives, for the benefit of SHFIRI:

(a) any right to require SHFIRI, as a condition of payment or performance by Guarantor, to (i) proceed against the Company, any other guarantor of the Guaranteed Obligations or any other Person or (ii) pursue any other remedy in the power of SHFIRI whatsoever;

(b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Company or any other guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of the Company or any other guarantor from any cause other than payment in full of the Guaranteed Obligations;

(c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

(d) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments and counterclaims, and (iv) promptness, diligence and any requirement that SHFIRI protect, secure, perfect or insure any security interest or lien or any property subject thereto;

(e) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder, or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to the Company and any right to consent to any thereof; and

(f) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof.

Section 7.5 Continuing Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations shall have been paid in full. Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations.

Section 7.6 Authority of Guarantor or the Company. It is not necessary for SHFIRI to

inquire into the capacity or powers of Guarantor or the Company or the officers, directors or any agents acting or purporting to act on behalf of any of them.

Section 7.7 Financial Condition of the Company. The Loan may be continued from time to time, without notice to or authorization from Guarantor regardless of the financial or other condition of the Company at the time of any such continuation. SHFIRI shall not have any obligation to disclose or discuss with Guarantor its assessment, or Guarantor's assessment, of the financial condition of the Company. Guarantor has adequate means to obtain information from the Company on a continuing basis concerning the financial condition of the Company and its ability to perform its obligations under this Agreement, and Guarantor assumes the responsibility for being and keeping informed of the financial condition of the Company and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. Guarantor hereby waives and relinquishes any duty on the part of SHFIRI to disclose any matter, fact or thing relating to the business, operations or conditions of the Company now known or hereafter known by SHFIRI.

ARTICLE 8 - EXPENSES AND REIMBURSEMENTS

Section 8.1 Reimbursement. Following an Event of Default, the Company shall pay or reimburse SHFIRI for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by SHFIRI before and after judgment in enforcing, protecting or preserving SHFIRI's rights under this Agreement, the Loan, and other document required hereunder or thereunder.

Section 8.2 Indemnification. The Company agrees to indemnify SHFIRI against any and all losses, claims, damages, liabilities and expenses, (including, without limitation, reasonable attorneys' fees and expenses) incurred by SHFIRI arising out of, in any way connected with, or as a result of any claim, litigation, investigation or proceedings related to the Loan or other obligations of the Company, whether or not SHFIRI is a party thereto, provided that such indemnity shall not apply to any such losses, claims, damages, liabilities or related expenses arising from (a) any unexcused breach by SHFIRI of SHFIRI's obligations under this Agreement or (b) any commitment made by SHFIRI to a Person other than the Company that would be breached by the performance of SHFIRI's obligations under this Agreement.

Section 8.3 Survival. The foregoing agreements and indemnities of this Section 8 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of the Loan made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 9 - MISCELLANEOUS

Section 9.1 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail, or overnight courier:

If to SHFIRI: Susan Heller Fenley

7756 Country Lane
Pleasanton, California 94566-9745
Email: fenleysue@gmail.com

If to the Company and Guarantor: Kim H. Peterson

P.O. Box 67637
Rancho Santa Fe, CA 92067
Email: kimharoldpeterson@gmail.com

With a Copy to:

F. Sigmund Luther
401 West A Street, Suite 1625
San Diego, California 92101
Email: sig.luther@gmail.com

Section 9.2 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

Section 9.3 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

Section 9.4 Choice of Law. This Agreement shall be governed by the laws of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court, and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

Section 9.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any Person or circumstance shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other Person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

Section 9.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement, and such waiver shall not be considered a waiver by that party of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to SHFIRI under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to SHFIRI, and nothing shall constitute a waiver by SHFIRI of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

Section 9.7 Exhibits. All exhibits to which reference is made in this Agreement, if any, are deemed incorporated in this Agreement, whether or not actually attached.

Section 9.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties. All amendments, changes, revisions and discharges of this Agreement, in whole or in part, and from time to time shall be binding upon the parties despite any lack of legal consideration, so long as the same shall be in writing and executed by the parties hereto.

Section 9.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, this Agreement shall not be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, neither party is granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, and neither party is in any way liable for any debt of the other.

Section 9.10 Further Acts. Each party shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement, without cost, including the execution and delivery of such documents, and the doing of such acts or things as may be required to satisfy the requirements of the Escrow Agreement.

Section 9.11 Confidentiality. SHFIRI acknowledges that certain information provided to SHFIRI by each Credit Party is confidential and proprietary information of the Credit Party, if and to the extent such information either (x) is marked as confidential by at the time of disclosure or (y) should reasonably be understood to be confidential (the "**Confidential Information**").

Accordingly, SHFIRI agrees that any Confidential Information SHFIRI may obtain in the course of evaluating a Credit Party shall not be disclosed to any other Person in any manner whatsoever, in whole or in part, without the prior written consent of such Credit

Party, except that SHFIRI may disclose any such information (a) to SHFIRI's own general partner, officers, employees, accountants, counsel and other professional advisors and to SHFIRI's affiliates if SHFIRI in SHFIRI's sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with the Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over SHFIRI, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by SHFIRI's counsel, (e) to comply with any legal requirement or law applicable to SHFIRI, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement, (g) to any participant or assignee of SHFIRI or any prospective participant or assignee, provided that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 9.11 prior to disclosure, or (h) otherwise with the prior consent of such Credit Party, provided that any disclosure made in violation of this Agreement shall not affect the obligations of any Credit Party or any of its Affiliates under this Agreement. As used in this Agreement, "Affiliate" means (1) ANI or (2) any person or entity (each a "Person") the Company controls, is controlled by, or under common control with.

Section 9.12 Assignment. The terms of this Agreement shall bind and inure to the benefit of the heirs, devisees, representatives, successors and permitted assigns of the parties. SHFIRI may not sell or assign all or any part of the Loan or any of SHFIRI's interest under this Agreement and any other documents relating to this Agreement to any Person without the Company's prior written consent, which consent shall not be unreasonably withheld. After the effective date of any such assignment, such assignee shall be vested with all rights, powers and remedies of SHFIRI hereunder with respect to the interest so assigned, but with respect to any such interest not so transferred, SHFIRI shall retain all rights, powers and remedies hereby given. No such assignment by SHFIRI shall relieve any Credit Party of any of its obligations hereunder. The Company may not assign or transfer this Loan or any of the Company's obligations under this Agreement and any other documents relating to this Agreement to any Person without SHFIRI's prior written consent.

Section 9.13 No Third-Party Beneficiaries. No provisions of this Agreement or any other documents relating thereto are intended and will not be interpreted to provide or create any third-party beneficiary rights or any other rights of any kind in any Person other than SHFIRI and any Credit Party unless specifically provided otherwise herein, and, except as otherwise so provided, all provisions will be personal and solely between the SHFIRI and the Company.

Signature Page to Loan and Guaranty Agreement

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

KIM FUNDING, LLC, as the Company

By 
Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor

By 
Kim H. Peterson

SUSAN HELLER FENLEY INHERITED ROTH IRA

By 
Susan Heller Fenley

EXHIBIT 16

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**SECOND AMENDMENT TO THE LOAN AND GUARANTY AGREEMENT DATED
MARCH 25, 2016 AMONG KIM FUNDING LLC, KIM H. PETERSON AND ROJ, LLC**

It is mutually understood and agreed by and among the undersigned contracting parties to amend the previously executed *Loan and Guaranty Agreement* dated March 25, 2016 as follows:

SECTION 1.3: Term. Due Date of the Loan shall be extended to June 1, 2021.

IN WITNESS WHEREOF, the parties heretofore have caused this Amendment to be duly executed by their respective authorized representatives as of January 20, 2017.

KIM FUNDING LLC

By 
Kim H. Peterson, Manager

KIM H. PETERSON

By 
Kim H. Peterson

ROJ, LLC

By 
John T. Milito, Managing Member

MILITO

**FIRST AMENDMENT TO THE LOAN AND GUARANTY AGREEMENT DATED MARCH 25, 2016
AMONG KIM FUNDING LLC AND KIM H. PETERSON AND ROJ, LLC**

It is mutually understood and agreed by and among the undersigned contracting parties to amend the previously executed *Loan and Guaranty Agreement* dated March 25, 2016, as follows:

RECITALS: The fifth paragraph of the Recitals Section is amended in that ROJ will provide financing in the principal amount of \$275,000, versus the previous amount of \$175,000;

SECTION 1.1: ROJ will make a \$275,000 loan, versus the previous amount of \$175,000.

IN WITNESS WHEREOF, the parties heretofore have caused this Amendment to be duly executed by their respective authorized representatives as of January 20, 2017.

KIM FUNDING LLC

By


Kim H. Peterson, Manager

KIM H. PETERSON

By


Kim H. Peterson

ROJ, LLC

By


John T. Millito, Managing Member

Wired in 1/20/17

WILLIAMS

LOAN AND GUARANTY AGREEMENT

THIS LOAN AND GUARANTY AGREEMENT ("Agreement"), is made and dated as of March 25, 2016, and is entered into by and among Kim Funding, LLC, a California limited liability company (the "Company"), Kim H. Peterson ("Guarantor"), and ROJ, LLC, a California limited liability company ("ROJ").

RECITALS

Whereas, the Company seeks financing in the principal amount of \$175,000.00, the proceeds of which are to be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcoholic Beverage Control as required by state regulations (each an "Escrow Account");

Whereas the Company is affiliated with ANI Development, LLC, a California limited liability company ("ANI"), and ANI will establish with Chicago Title ("Escrow Holder") an Escrow Account pursuant to an agreement (the "Escrow Agreement") to accept the proceeds of the Loan (defined below);

Whereas Guarantor has agreed to furnish a continuing guarantee of certain obligations of the Company (Guarantor and the Company each a "Credit Party"); and

Whereas ROJ is willing to advance the Loan to the Company on the terms and conditions set forth in this Agreement;

Therefore, in consideration of the mutual covenants contained herein, ROJ hereby agrees to provide financing in the principal amount of \$175,000.00 to the Company, on the terms and conditions set forth below.

SECTION 1 - GENERAL TERMS

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, ROJ will make a \$175,000.00 loan ("the Loan") to the Company as of the date of this Agreement (the "Effective Date").

Section 1.2 Use of Proceeds. The Company represents, warrants, and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by the ABC.

Section 1.3 Term. As used herein, "Due Date" for the Loan means the date that is the earlier of (1) the third anniversary of the Effective Date or (2) eight months following the date ROJ delivers to the Company a written notice ("a Demand Notice") that ROJ elects to accelerate the Due Date. In all events, and under all circumstances, on the Due Date, the Company shall pay to ROJ all unpaid principal and accrued interest. Following ROJ's delivery to the Company of a Demand Notice, the Company may prepay the Loan in whole or in part; however, any partial prepayment shall first be applied to unpaid accrued interest and then to principal owed under the Loan.

JM

Section 1.4 Interest Rate. The interest rate shall be eleven percent (11%) per annum of the unpaid principal amount of the Loan. The principal balance of the Loan shall bear interest thereon from the date the Loan proceeds are delivered to the Company, based on a year consisting of 365 days, with interest computed daily based on the actual number of days elapsed. Accrued interest shall be paid quarterly by the Company to ROI, on June 25, September 25, December 25, and March 25. Notwithstanding the foregoing, if for any reason (1) the agreement between ANI and the Company terminates or (2) Escrow Agreements have to be terminated as a consequence of an order or demand by the ABC, the California Department of Business Oversight, or other governmental agency, then the interest rate on the Loan shall be reduced to 5 percent (5%) per annum retroactive to the date on which the most recent quarterly interest payment was due (e.g., if the ANI agreement terminated on November 15, 2017, then the 5 percent (5%) interest rate would be retroactive to October 13, 2017).

Section 1.5 Maximum Interest. Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge, or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under California law shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction finally determines that the Company has actually paid to ROI an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan; second, after all principal is repaid, to the payment of ROI's accrued interest costs, expenses, professional fees; and third, the excess (if any) shall be refunded to the Company.

Section 1.6 Payment. If any payment is specified to be made upon a day that is not a business day, it shall be deemed to be specified to be made on the next business day. Payments of both accrued interest and principal shall be paid by wire transfer of immediately available funds to an account ROI may designate to the Company in writing. Payment by wire transfer or other means shall be credited only when actually received by ROI.

SECTION 2 - CONDITIONS PRECEDENT TO LOAN

The obligations of ROI to make the Loan hereunder are subject to the condition that as of the Effective Date, the Company's representations and warranties contained herein shall be true and correct in all material respects.

SECTION 3 - REPRESENTATIONS

Section 3.1 Mutual Representations. Each party makes the representations that:

(a) It is duly organized and validly existing under the laws of the jurisdiction of incorporation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation that is required by this Agreement, to deliver and to perform its obligations under this Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documentation relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) The respective party's obligations under this Agreement and any other documentation related to this Agreement to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(f) No broker's or finder's fee or commission will be payable with respect to the Loan.

Section 3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) Neither this Agreement nor any other document, certificate or statement furnished or to be furnished to ROI by or on behalf of the Company in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact known to the Company which materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to ROI by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) It is not a party to any litigation or administrative proceeding and, so far as is known by the Company, no litigation or administrative proceeding is threatened against it that could, if adversely determined, cause any material adverse change in its property, financial condition or the conduct of its business.

(d) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

(e) It is not a party to any agreement, instrument or undertaking or subject to any other restriction, (a) which materially adversely affects or may in the future so affect the property, financial condition or business operations of the Company, or (b) under or pursuant to which the Company is or will be required to place (or under which any other Person may place) a lien upon any of its properties securing indebtedness, either upon demand or upon the happening of a condition, with or without such demand.

Section 3.3 ROJ Representations. ROJ makes the representations that:

(a) ROJ is entering into this Agreement without any present intention of making a sale or other distribution of the Loan made pursuant to this Agreement, provided ROJ reserves the right to sell the Loan or participations therein subject to compliance with Section 9.12 below.

(b) ROJ meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(c) ROJ has the requisite knowledge and experience to assess the relative merits and risks of the Loan.

(d) ROJ is aware that this Agreement and the Loan hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws and is subject to restrictions on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 - AFFIRMATIVE COVENANTS

Section 4.1 Existence, Compliance with Laws, Businesses and Properties. The Company will do or cause to be done all things reasonably necessary to:

(a) preserve, renew and keep in full force and effect its legal existence under the laws of its jurisdiction of organization;

(b) do or cause to be done all things reasonably necessary to the conduct of its business; and

(c) comply in all material respects with applicable laws, rules, regulations and decrees and orders of any governmental authority, whether now in effect or hereafter enacted.

Section 4.2 Taxes. The Company shall pay and discharge when due all taxes imposed upon it or upon its income or profits or in respect of its property, before the same shall become overdue by more than 45 days, provided that such payment and discharge shall not be required with respect to any such tax so long as the validity or amount thereof is being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves

SECTION 5 - NEGATIVE COVENANTS

Section 5.1 Conduct of Business. From and after the Effective Date, the Company shall not engage in any business other than (a) the businesses engaged in by the Company on the Effective Date and similar or related businesses and (ii) such other lines of business as the parties may agree.

Section 5.2 Fundamental Changes. The Company may not consolidate or merge with or into or wind up into (whether or not the Company is the surviving entity) and may not sell, assign, transfer, lease, convey, or otherwise dispose of all or substantially all of the properties or assets of the Company, taken as a whole, in one or more related transactions, to any Person unless:

(a) the Company is the surviving Person formed by or surviving any such consolidation or merger (if other than the Company) or the entity to whom such sale, assignment, transfer, lease, conveyance or other disposition will have been made is organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Person, the "Successor Company");

(b) the Successor Company, if other than the Company, expressly assumes all the obligations of the Company under this Agreement pursuant to documentation reasonably satisfactory to ROJ;

(c) immediately after such transaction, no Event of Default (as defined in Section 6) exists; and

(d) Guarantor shall have confirmed its guaranty under this Agreement reasonably satisfactory to ROJ;

provided that the Company shall promptly notify ROJ of any such transaction and shall take all required actions prior to such transaction.

SECTION 6 - EVENTS OF DEFAULT

6.1 Defaults. The occurrence of any one or more of the following events shall constitute an "Event of Default":

(a) The Company fails to pay (i) any quarterly interest payment and such failure continues for 10 days following ROJ's delivery to the Company of written notice of such failure or (2) all principal and accrued interest due under the Loan on the Due Date.

(b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement or any similar loan agreement in effect between the Company and ROJ and such default continues for 15 days following ROJ's delivery to the Company of written notice of such failure; however, if curing the default reasonably requires more than 15 days, then an Event of Default shall not exist if within 15 days following the Company's receipt of such notice the Company commences to cure the default and thereafter diligently pursues the cure to completion.

(c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan and such default continues for 15 days following ROJ's delivery to the Company of written notice of such failure; however, if curing the default reasonably requires more than 15 days, then an Event of Default shall not exist if within 15 days following the Company's receipt of such notice the Company commences to cure the default and thereafter diligently pursues the cure to completion.

(d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to ROJ hereunder proves to have been false in any material respect as of the time when made or given.

(e) Litigation or an administrative proceeding is instituted against the Company which could, if adversely determined, cause any material adverse change in the Company's financial condition or the conduct of its business.

(f) The Company or Guarantor (i) becomes insolvent, or (ii) is unable or admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors, or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets, or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent), or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enters into any formal or informal composition or arrangement with its creditors, or (ix) dies.

(g) This Agreement and any of the Loan Documents or the Guaranteed Obligations (as defined in Section 7) for any reason cease to be in full force and effect or are declared null and void, or are revoked or terminated, or the validity or enforceability thereof or hereof is contested by the Company, any member of the Company or Guarantor, or the Company or Guarantor shall deny that it has any or further liability or obligation thereunder or hereunder, as the case may be.

Section 6.2. Notice of Default. Promptly upon the Company's obtaining knowledge of any condition or event that constitutes an Event of Default or that notice has been given to the Company or Guarantor with respect thereto, the Company shall provide written notice to ROJ specifying the nature and period of existence of such condition, event or change, or specifying

the notice given and action taken by any such person and the nature of such claimed Event of Default and what action the Company has taken, is taking, and proposes to take with respect thereto.

Section 6.3 Notice of Litigation. Promptly upon the Company's obtaining knowledge of (i) any litigation not previously disclosed in writing by the Company to ROJ or (ii) any development in any litigation involving the Company that if adversely determined could be reasonably expected to have a material adverse effect or seeks to enjoin or otherwise prevent the consummation of or to recover any damages or obtain relief as a result of the transactions contemplated hereby, the Company shall provide written notice thereof together with such other information as may be reasonably available to the Company to enable ROJ and ROJ's counsel to evaluate such matters.

Section 6.4 Effect of an Event of Default. If any Event of Default occurs, at ROJ's option all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company. Furthermore, ROJ's obligations under this Agreement shall be terminated.

SECTION 7 - GUARANTY

Section 7.1 Limited Guaranty of the Obligations. Guarantor hereby irrevocably and unconditionally guarantees to ROJ for the benefit of ROJ the due and punctual payment in full of the principal balance of the Loan when the same becomes due (collectively, the "**Guaranteed Obligations**").

Section 7.2 Payment by Guarantor. Guarantor hereby agrees, in furtherance of the foregoing and not in limitation of any other right that ROJ may have at law or in equity against Guarantor by virtue hereof, that upon the failure of the Company to pay any of the Guaranteed Obligations when and as the same become due, whether at stated maturity, Guarantor will upon demand pay, or cause to be paid, in freely transferable funds to ROJ an amount equal to the sum of the Guaranteed Obligations then due.

Section 7.3 Liability of Guarantor Absolute. Guarantor agrees that Guarantor's obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, Guarantor agrees as follows:

(a) this Guaranty is a guaranty of payment when due and not of collectability; this Guaranty is a primary obligation of Guarantor and not merely a contract of surety;

(b) ROJ may enforce this Guaranty upon the occurrence of an Event of Default notwithstanding the existence of any dispute between the Company and ROJ with respect to the existence of such Event of Default;

(c) Guarantor's obligations hereunder are independent of the obligations of the Company and the obligations of any other guarantor of the obligations of the Company, and a separate action or actions may be brought and prosecuted against Guarantor whether or not any action is brought against the Company or any of such other guarantors and whether or not the Company is joined in any such action or actions;

(d) payment by Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge Guarantor's liability for any portion of the Guaranteed Obligations that has not been paid, without limiting the generality of the foregoing, if ROJ is awarded a judgment in any suit brought to enforce Guarantor's covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release Guarantor from his covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit;

(e) ROJ, upon such terms as ROJ deems appropriate, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of Guarantor's liability hereunder, from time to time may: (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations, (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same, to the payment of any other obligations, (iii) request and accept other guaranties of the Guaranteed Obligations, and take and hold security for the payment hereof or the Guaranteed Obligations, (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person with respect to the Guaranteed Obligations, (v) enforce and apply any security now or hereafter held by or for the benefit of ROJ in respect hereof or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that ROJ may have against any such security, in each case as ROJ in ROJ's discretion may determine consistent herewith or any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of Guarantor against any other Credit Party or any security for the Guaranteed Obligations, and (vi) exercise any other rights available to it under the Loan Documents; and

(f) This Guaranty and the obligations of Guarantor hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment in full of the Guaranteed Obligations), including the occurrence of any of the following, whether or not Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce an agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of any claim or demand or any right, power or remedy with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations, (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the

terms or provisions (including provisions relating to Events of Default) hereof, or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guaranteed Obligations, (iii) the Guaranteed Obligations, the Loan Documents or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect, (iv) the application of payments received from any source to the payment of indebtedness other than the Guaranteed Obligations, even though ROJ might have elected to apply such payment to any part or all of the Guaranteed Obligations, (v) ROJ's consent to the change, reorganization or termination of the corporate structure or existence of the Company or any of its guarantors and to any corresponding restructuring of the Guaranteed Obligations, (vi) any defenses, set-offs or counterclaims which the Company may allege or assert against ROJ in respect of the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury, and (vii) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of Guarantor as an obligor in respect of the Guaranteed Obligations.

Section 7.4. Waivers by Guarantor. Guarantor hereby waives, for the benefit of ROJ:

(a) any right to require ROJ, as a condition of payment or performance by Guarantor to (i) proceed against the Company, any other guarantor of the Guaranteed Obligations or any other Person or (ii) pursue any other remedy in the power of ROJ whatsoever;

(b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Company or any other guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of the Company or any other guarantor from any cause other than payment in full of the Guaranteed Obligations;

(c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

(d) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments and counterclaims, and (iv) promptness, diligence and any requirement that ROJ protect, secure, perfect or insure any security interest or lien on any property subject thereto;

(e) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder, or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to the Company and any right to consent to any thereof; and

(f) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof.

Section 7.5 Continuing Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations shall have been paid in full. Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations.

Section 7.6 Authority of Guarantor or the Company. It is not necessary for ROJ to inquire into the capacity or powers of Guarantor or the Company or the officers, directors or any agents acting or purporting to act on behalf of any of them.

Section 7.7 Financial Condition of the Company. The Loan may be continued from time to time, without notice to or authorization from Guarantor regardless of the financial or other condition of the Company at the time of any such continuation. ROJ shall not have any obligation to disclose or discuss with Guarantor its assessment or Guarantor's assessment of the financial condition of the Company. Guarantor has adequate means to obtain information from the Company on a continuing basis concerning the financial condition of the Company and its ability to perform its obligations under this Agreement, and Guarantor assumes the responsibility for being and keeping informed of the financial condition of the Company and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. Guarantor hereby waives and relinquishes any duty on the part of ROJ to disclose any matter, fact or thing relating to the business, operations or conditions of the Company now known or hereafter known by ROJ.

ARTICLE 8 – EXPENSES AND REIMBURSEMENTS

Section 8.1 Reimbursement. Following an Event of Default, the Company shall pay or reimburse ROJ for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by ROJ before and after judgment in enforcing, protecting or preserving ROJ's rights under this Agreement, the Loan, and other document required hereunder or thereunder.

Section 8.2 Indemnification. The Company agrees to indemnify ROJ against any and all losses, claims, damages, liabilities and expenses, (including, without limitation, reasonable attorneys' fees and expenses) incurred by ROJ arising out of, in any way connected with, or as a result of any claim, litigation, investigation or proceedings related to the Loan or other obligations of the Company, whether or not ROJ is a party thereto, provided that such indemnity shall not apply to any such losses, claims, damages, liabilities or related expenses arising from (a) any unexcused breach by ROJ of ROJ's obligations under this Agreement or (b) any commitment made by ROJ to a Person other than the Company that would be breached by the performance of ROJ's obligations under this Agreement.

Section 8.3 Survival. The foregoing agreements and indemnities of this Section 8 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of the Loan

made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 9 - MISCELLANEOUS

Section 9.1 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail, or overnight courier.

If to ROJ:

John T. Milito
3830 Valley Centre Drive
Suite 705-405
San Diego, California 92130
Email: John@apxm.com

If to the Company and Guarantor: Kim H. Peterson

P.O. Box 67637
Rancho Santa Fe, CA 92067
Email: kimharoldpeterson@gmail.com

With a Copy to:

F. Sigmund Luther
401 West A Street, Suite 1625
San Diego, California 92101
Email: sig.luther@gmail.com

Section 9.2 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

Section 9.3 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

Section 9.4 Choice of Law. This Agreement shall be governed by the laws of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court, and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

Section 9.11. Confidentiality. R.O.J. acknowledges that certain information provided to R.O.J. by each Credit Party is confidential and proprietary information of the Credit Party, it and to the extent such information either (x) is marked as confidential by at the time of disclosure or (y) should reasonably be understood to be confidential (the "Confidential Information").

Section 9.10. Further Acts. Each party shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement, without cost, including the execution and delivery of such documents, and the doing of such acts or things as may be required to satisfy the requirements of the Escrow Agreement.

Section 9.9. Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever; this Agreement shall not be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto; neither party is granted any right or authority to assume or create any obligation or responsibility on behalf of the other party; and neither party is in any way liable for any debt or the other.

Section 9.8. Amendment. This Agreement may be amended at any time only by the written agreement of the parties. All amendments, changes, revisions and discharges of this Agreement, in whole or in part, and from time to time shall be binding upon the parties despite any lack of legal consideration, so long as the same shall be in writing and executed by the parties hereto.

Section 9.7. Exhibits. All exhibits to which reference is made in this Agreement, if any, are deemed incorporated in this Agreement, whether or not actually attached.

Section 9.6. Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement, and such waiver shall not be considered a waiver by that party of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to R.O.J. under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to R.O.J. and nothing shall constitute a waiver by R.O.J. of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

Section 9.5. Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any Person or circumstance shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other Person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

Accordingly, ROJ agrees that any Confidential Information ROJ may obtain in the course of evaluating a Credit Party shall not be disclosed to any other Person in any manner whatsoever, in whole or in part, without the prior written consent of such Credit Party, except that ROJ may disclose any such information (a) to ROJ's own general partner, officers, employees, accountants, counsel and other professional advisors and to ROJ's affiliates if ROJ in ROJ's sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with the Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over ROJ, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by ROJ's counsel, (e) to comply with any legal requirement or law applicable to ROJ, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement, (g) to any participant or assignee of ROJ or any prospective participant or assignee, provided that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 9.11 prior to disclosure, or (h) otherwise with the prior consent of such Credit Party, provided that any disclosure made in violation of this Agreement shall not affect the obligations of any Credit Party or any of its Affiliates under this Agreement. As used in this Agreement, "Affiliate" means (1) ANI or (2) any person or entity (each a "Person") the Company controls, is controlled by, or under common control with.

Section 9.12. Assignment. The terms of this Agreement shall bind and inure to the benefit of the heirs, devisees, representatives, successors and permitted assigns of the parties. ROJ may not sell or assign all or any part of the Loan or any of ROJ's interest under this Agreement and any other documents relating to this Agreement to any Person without the Company's prior written consent, which consent shall not be unreasonably withheld. After the effective date of any such assignment, such assignee shall be vested with all rights, powers and remedies of ROJ hereunder with respect to the interest so assigned, but with respect to any such interest not so transferred, ROJ shall retain all rights, powers and remedies hereby given. No such assignment by ROJ shall relieve any Credit Party of any of its obligations hereunder. The Company may not assign or transfer this Loan or any of the Company's obligations under this Agreement and any other documents relating to this Agreement to any Person without ROJ's prior written consent.

Section 9.13. No Third-Party Beneficiaries. No provisions of this Agreement or any other documents relating thereto are intended and will not be interpreted to provide or create any third-party beneficiary rights or any other rights of any kind in any Person other than ROJ and any Credit Party unless specifically provided otherwise herein, and, except as otherwise so provided, all provisions will be personal and solely between the ROJ and the Company.

[THE REST OF THE PAGE IS INTENTIONALLY BLANK]

JM

Signature Page to Loan and Guaranty Agreement

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

KIM FUNDING, LLC, as the Company

By


Kim H. Peterson, Manager

KIM H. PETERSON, a person, as Guarantor


Kim H. Peterson

ROJ, LLC


John T. Milito, Its Managing Member

EXHIBIT 17

BB

FIRST AMENDMENT TO LOAN AGREEMENT

This Amendment, dated January 2, 2019, is executed by Kim Funding, LLC, a California limited liability company ("the Company") and Bristol Brokerage Company, Inc. ("Lender").

- A. On January 1, 2019, the Company and Lender executed that certain Loan Agreement ("the Original Agreement"), by which Lender agreed to make available to the Company, \$4,000,000.
- B. By this Amendment, the parties desire to amend the terms of the Original Agreement, as provided below.

Based upon the above recitals and mutual agreements stated below, the parties agree:

Lender can shall have the right to terminate the Agreement, and upon receiving such notice to terminate, the Company will return to Lender within 90 days, whatever principal and accrued interest are due and payable.

Kim Funding, LLC

By 

Kim H. Peterson, Manager

Bristol Brokerage Company, Inc.

By 

Peter Zwichorowski

Title PRESIDENT

LOAN AGREEMENT

THIS LOAN AGREEMENT ("this Agreement") dated January 1, 2019, is entered into by Kim Funding, LLC, a California limited liability company (the "Company"), and Bristol Brokerage Company, Inc. ("Lender").

RECITALS

Whereas the Company seeks financing, the proceeds of which will be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcohol Beverage Control as required by state regulations (each an "Escrow Account");

Whereas the Company has established and will continue to establish with Chicago Title ("Escrow Holder") Escrow Accounts pursuant to agreements (each, an "Escrow Agreement") to accept the proceeds of the Loan (defined below);

Whereas Lender is willing to make a loan to the Company on the terms and conditions set forth in this Agreement;

In consideration of the mutual covenants contained herein, Lender hereby agrees to provide certain funds on the terms and conditions set forth below.

SECTION 1 – GENERAL TERMS

1.1 **Loan Advance.** Subject to the terms and conditions of this Agreement, Lender will make available to the Company \$4,000,000 which the Company may use to fund Escrow Accounts ("the Loan").

1.2 **Use of Proceeds.** The Company represents, warrants and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by ABC.

1.3 **Loan Request.** To request the Loan disbursement, the Company shall complete, sign and deliver to Lender a Loan Request in a form attached as Exhibit A (a "Loan Request") at least three Business Days before the proposed funding of an Escrow Account. Not later than 1:00 PM (California time) on the third Business Day following Lender's receipt of the Loan Request, Lender shall wire the funds in the amount and manner requested by the Loan Request. As used in this Agreement, "Business Day" shall mean any day other than a Saturday, Sunday or day on which banks in New York City are generally authorized or required by law to close.

1.4 **Evidence of Indebtedness.** The Company will make the payment specified in the provisions of this Agreement. Payments will be made in freely transferable funds and in the manner customary for payments in US dollars.

1.5 **Term.** Lender's obligation to fund the Loan shall cease on December 31, 2020 ("the Termination Date"); however, if Lender elects not to require repayment of the Loan on the

Termination Date, the terms and conditions of this Agreement shall continue to apply to the Loan until the Loan is paid in full.

1.6 Payment. All unpaid principal and unpaid accrued interest shall be due on the Termination Date. As used herein, "**Interest Payment Date**" means the tenth Business Day after January 1, April 1, July 1, and October 1 of each year this Agreement remains in effect. Commencing on the first Interest Payment Date following the date of this Agreement and continuing on each Interest Payment Date thereafter, the Company shall pay to Lender interest accrued during the preceding three calendar months. The company reserves the right to prepay the Loan in whole or in part at any time(s) without penalty or additional charge.

1.7 Interest Rate. Except as provided below, the interest rate on the unpaid principal amount of the Loan shall be **10 percent** per annum. Interest shall commence to accrue on the date Lender delivers to the Company the proceeds of the Loan following the Company's delivery to Lender of a Loan Request. Interest shall be computed based on a year consisting of 365 days and on the actual number of days elapsed. Notwithstanding the foregoing, if all or substantially all of the then pending Escrow Accounts are terminated as a consequence of or in response to a regulation, order, or enforcement action by ABC or Department of Business Oversight, then the interest rate on the Loan shall be the lesser of (1) **10 percent** per annum or (2) the actual amount of points and interest paid by the License Applicants with respect to the Escrow Accounts funded with the proceeds of the Loan.

1.8 Maximum Interest. Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction shall finally determine that the Company has actually paid to Lender an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan, second, after all principal is repaid, to the payment of Lender's accrued interest, costs, expenses, professional fees, and third, the excess (if any) shall be refunded to the Company.

SECTION 2 - CONDITIONS PRECEDENT TO LOAN

Lender's obligation to make the Loan and allow the Loan proceeds to continue to be used to fund Escrow Accounts is subject to the conditions that (1) the Company shall have delivered to Lender a Loan Request and (2) the Loan proceeds shall be used solely to fund Escrow Accounts.

SECTION 3 - REPRESENTATIONS

3.1 Mutual Representations. Each party makes the representations that:

(a) If a party is not a natural person, it is duly organized and validly existing under the laws of the jurisdiction of formation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement, the Loan Documents, and any other documents that are required by this Agreement, to deliver and to perform its obligations under this

Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documents relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) No broker's or finder's fee or commission will be payable with respect to any Loan.

3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) This Agreement and all documents, certificates, and statements furnished or to be furnished to Lender by or on behalf of the Company in connection herewith do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein and therein not misleading. The Company knows no fact that materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to Lender by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

3.3 Lender Representations. Lender makes the representations that:

(a) It meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(b) It has the requisite knowledge and experience to assess the relative merits and risks of the Loans.

(c) It is aware that this Agreement and the Loans hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws, and is subject to restrictions

on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – EVENTS OF DEFAULT

4.1 **Defaults.** The occurrence of any one or more of the following events shall constitute an "Event of Default":

- (a) The Company timely fails to pay any payment due on the Loan.
- (b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement.
- (c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan.
- (d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to Lender hereunder, proves to have been false in any material respect as of the time when made or given.
- (e) The Company (i) becomes insolvent, or (ii) is unable to pay or admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors, or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets, or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent), or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enter into any formal or informal composition or arrangement with its creditors.

4.2 **Effect of an Event of Default.** If any Event of Default shall occur, then (1) at Lender's option, all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company and (2) Lender's obligations to fund additional Loans shall terminate.

SECTION 5 – EXPENSES AND REIMBURSEMENTS

5.1 **Reimbursement.** Following an Event of Default, the Company shall pay or reimburse Lender for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by Lender before and after judgment in enforcing, protecting or preserving its rights under this Agreement, the Loan, and other document required hereunder or thereunder.

5.2 **Survival.** The foregoing agreements and indemnities of this Section 5 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of any Loan made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document

required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 6 - MISCELLANEOUS

6.1 **Notices.** Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail or overnight courier, addressed as follows:

If to Lender:

Peter Zwichorowski
12626 High Bluff Drive, Suite 360
San Diego, California 92130
Email: Peter.Z@bristolbrokerage.com

If to the Company:

KJM Funding, LLC
P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY FEDEX)

With a Copy to:

ANI Development, LLC
3515 Hancock, Unit 200
San Diego, CA 92110

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

6.3 **Entire Agreement.** This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

6.4 **Choice of Law.** This Agreement shall be governed by the laws of the State of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

6.5 **Severability.** If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent

jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

6.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to Lender under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to Lender and nothing shall constitute a waiver by Lender of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

6.7 Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached.

6.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties.

6.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, nor is either party granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.

6.10 Further Acts. Each party hereby agrees that it shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement.

6.11 Confidentiality. Lender acknowledges that certain information provided to Lender by the Company is confidential and proprietary information of the Company, if and to the extent such information either (x) is marked as confidential by at the time of disclosure, or (y) should reasonably be understood to be confidential (the "Confidential Information"). Accordingly, Lender agrees that any Confidential Information it may obtain in the course of evaluating the Company shall not be disclosed to any other person in any manner whatsoever, in whole or in part, without the prior written consent of the Company, except that Lender may disclose any such information: (a) to its own general partner, officers, employees, accountants, counsel and other professional advisors and to its affiliates if Lender in its sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with a Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over

Lender, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Lender's counsel, (e) to comply with any legal requirement or law applicable to Lender, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement, (g) to any participant or assignee of Lender or any prospective participant or assignee, provided, that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 6.11 prior to disclosure; or (h) otherwise with the prior consent of the Company; provided, that any disclosure made in violation of this Agreement shall not affect the obligations of the Company or any of its Affiliates under this Agreement.

6.12 Noncompete. During the term of this Agreement and for a period of five years following expiration or termination of this Agreement, Lender and Lender's affiliates shall not within California directly or indirectly engage in the business of making loans to persons seeking approval from ABC for transfers of licenses issued by ABC. The prohibition in the preceding sentence includes any and all activities by Lender or Lender's affiliates as an agent, partner, member, shareholder, owner, consultant, or lender to any business engaged in providing loans to persons seeking ABC's approval for transfers of licenses issued by ABC.

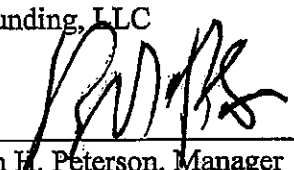
[THE REST OF THIS PAGE IS INTENTIONALLY BLANK]

SIGNATURE PAGE TO LOAN AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers and representatives as of the day and year first written above.

Kim Funding, LLC

By


Kim H. Peterson, Manager

Bristol Brokerage Company, Inc.

By


Peter Zwichonowski

Title President

Exhibit A

LOAN REQUEST

To: Bristol Brokerage Company, Inc.
12626 High Bluff Drive, Suite 360
San Diego, California 92130
Email: Peter.Z@bristolbrokerage.com

Kim Funding, LLC ("Borrower"), hereby requests from Bristol Brokerage Company, Inc. ("Lender") an additional loan advance in the amount of \$_____ on _____, 2019, pursuant to the Loan Agreement between Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please wire funds to the Escrow Account as follows:

Escrow Agent: Chicago Title Company
Bank Name: City National Bank
Bank Address: 555 South Flower Street, 17th Floor, Los Angeles, California 90071
ABA Number: 122016066
Account Number: 555337205
Account Name: Chicago Title Company
Reference: Escrow/Title Order No. 00102122-004-DD (for escrows opened in 2019)
Escrow Office Name: Della Ducharme Unit

Borrower represents that the conditions precedent to the Loan set forth in the Agreement are satisfied.

Executed as of _____, 2019

Kim Funding, LLC,

By _____
Kim H. Peterson, Manager

Guaranty

As a material inducement to and in consideration of Bristol Brokerage Company Inc. ("Lender") entering into that certain Loan Agreement dated **January 1, 2019 (the Loan Agreement)**, the undersigned ("Guarantor") unconditionally guaranties the full performance of each and all of the terms, covenants, and conditions of the Loan Agreement to be performed by KIM Funding, LLC, a California limited liability company ("KIM"), including payment of all principal, interest, and other charges accruing thereunder.

Guarantor waives the benefit of any statute of limitations affecting the Guarantor's liability under this Guaranty.

The provisions of the Loan Agreement may be changed by agreement between Lender and KIM at any time or by course of conduct without the consent of or notice to Guarantor, in which event this Guaranty shall guaranty the performance of the Loan Agreement, as amended.

Lender may without notice assign this Guaranty in whole or in part. No assignment or transfer of the Loan Agreement or any interest therein shall operate to extinguish or diminish the liability of Guarantor hereunder.

This Guaranty shall not be affected by Lender's failure or delay to enforce any of Lender's rights.

If KIM defaults under the Loan Agreement, Lender may proceed immediately against Guarantor or KIM or both, or Lender may enforce against Guarantor or KIM or both any rights that Lender has under the Loan Agreement or pursuant to any applicable laws. If the Loan Agreement terminates and Lender has any rights that Lender can enforce against KIM after termination, Lender shall be entitled to enforce those rights against Guarantor without giving previous notice to KIM or Guarantor and without making any demand on either of them.


Guarantor waives the right to require Lender to (1) proceed against KIM, (2) proceed against or exhaust any security that Lender holds from KIM, or (3) pursue any other remedy in Lender's power. Guarantor waives any defense by reason of any disability of KIM and any defense based on the termination of KIM's liability from any cause. Guarantor acknowledges that this Guaranty will continue unchanged by any bankruptcy, reorganization or insolvency of KIM or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of KIM. Until all of KIM's obligations to Lender have been discharged in full, Guarantor waives any right of subrogation Guarantor may have against KIM. Guarantor waives Guarantor's right to enforce any remedies that Lender now has or may later have against KIM. Guarantor waives any right to participate in any security now or later held by Lender. Guarantor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor and notices of acceptance of this Guaranty, and all notices of the existence, creation, or incurring of new or additional obligations.

Guarantor shall pay to Lender all costs, including, without limitation, reasonable attorney's fees incurred in the enforcement of the obligations hereby guarantied or the enforcement of this Guaranty.

The terms and provision of this Guaranty shall be binding upon and inure to the benefit of the respective successors and assigns of Lender and Guarantor.

Dated: January 1, 2019

Guarantor:



Kim H. Peterson

Guarantor's Address for Notice:

P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY FEDEX OR PERSONAL SERVICE)

EXHIBIT 18

Sandra Schutz

LOAN AGREEMENT

THIS LOAN AGREEMENT ("**this Agreement**") dated January 26, 2017, is entered into by Kim Funding, LLC, a California limited liability company (the "**Company**"), and the Sandra K. Schutz, Trust, Ronald Schutz, Trustee ("**Lender**").

RECITALS

Whereas the Company seeks financing, the proceeds of which will be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcohol Beverage Control as required by state regulations (each an "**Escrow Account**");

Whereas the Company has established and will continue to establish with Chicago Title ("**Escrow Holder**") Escrow Accounts pursuant to agreements (each, an "**Escrow Agreement**") to accept the proceeds of the Loan (defined below);

Whereas Lender is willing to make a loan to the Company on the terms and conditions set forth in this Agreement;

In consideration of the mutual covenants contained herein, Lender hereby agrees to provide \$500,000 in funds on the terms and conditions set forth below.

SECTION 1 – GENERAL TERMS

1.1 Loan Advance. Subject to the terms and conditions of this Agreement, Lender will make available to the Company \$500,000, which the Company may use to fund Escrow Accounts ("**the Loan**").

1.2 Use of Proceeds. The Company represents, warrants and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "**License Applicant**") seeking authorization from the California Department of Alcoholic Beverage Control (the "**ABC**") to acquire by transfer a license issued by ABC.

1.3 Loan Request. To request the Loan disbursement, the Company shall complete, sign and deliver to Lender a Loan Request in a form attached as Exhibit A (a "**Loan Request**") at least three Business Days before the proposed funding of an Escrow Account. Not later than 1:00 PM (California time) on the third Business Day following Lender's receipt of the Loan Request, Lender shall wire the funds in the amount and manner requested by the Loan Request. As used in this Agreement, "**Business Day**" shall mean any day other than a Saturday, Sunday or day on which banks in New York City are generally authorized or required by law to close.

1.4 Evidence of Indebtedness. The Company will make the payment specified in the provisions of this Agreement. Payments will be made in freely transferable funds and in the manner customary for payments in US dollars ("**Cash**").

1.5 Term. Lender's obligation to fund the Loan shall cease on January 31, 2019 ("the **Termination Date**"); however, if Lender elects not to require repayment of the Loan on the Termination Date, the terms and conditions of this Agreement shall continue to apply to the Loan until the Loan is paid in full.

1.6 Payment. All unpaid principal and unpaid accrued interest shall be due on the Termination Date. As used herein, "**Interest Payment Date**" means the tenth Business Day after January 1, April 1, July 1, and October 1 of each year this Agreement remains in effect. Commencing April 14, 2017, and continuing on each Interest Payment Date thereafter, the Company shall pay to Lender interest accrued during the preceding three calendar months. The company reserves the right to prepay the Loan in whole or in part at any time(s) without penalty or additional charge.

1.7 Interest Rate. Except as provided below, the interest rate on the unpaid principal amount of the Loan shall be **10 percent** per annum. Interest shall commence to accrue on the date Lender delivers to the Company the proceeds of the Loan following the Company's delivery to Lender of a Loan Request. Interest shall be computed based on a year consisting of 365 days and on the actual number of days elapsed. Notwithstanding the foregoing, if all or substantially all of the then pending Escrow Accounts are terminated as a consequence of or in response to a regulation, order, or enforcement action by ABC or Department of Business Oversight, then the interest rate on the Loan shall be the lesser of (1) **10 percent** per annum or (2) the actual amount of points and interest paid by the License Applicants with respect to the Escrow Accounts funded with the proceeds of the Loan.

1.8 Maximum Interest. Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction shall finally determine that the Company has actually paid to Lender an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan, second, after all principal is repaid, to the payment of Lender's accrued interest, costs, expenses, professional fees, and third, the excess (if any) shall be refunded to the Company.

SECTION 2 - CONDITIONS PRECEDENT TO LOAN

Lender's obligation to make the Loan and allow the Loan proceeds to continue to be used to fund Escrow Accounts is subject to the conditions that (1) the Company shall have delivered to Lender a Loan Request and (2) the Loan proceeds shall be used solely to fund Escrow Accounts.

SECTION 3 - REPRESENTATIONS

3.1 Mutual Representations. Each party makes the representations that:

(a) If a party is not a natural person, it is duly organized and validly existing under the laws of the jurisdiction of formation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement, the Loan Documents, and any other documents that are required by this Agreement, to deliver and to perform its obligations under this Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documents relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) No broker's or finder's fee or commission will be payable with respect to any Loan.

3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) This Agreement and all documents, certificates, and statements furnished or to be furnished to Lender by or on behalf of the Company in connection herewith do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein and therein not misleading. The Company knows no fact that materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to Lender by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

3.3 Lender Representations. Lender makes the representations that:

(a) It meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(b) It has the requisite knowledge and experience to assess the relative merits and risks of the Loans.

(c) It is aware that this Agreement and the Loans hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws, and is subject to restrictions on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – EVENTS OF DEFAULT

4.1 **Defaults.** The occurrence of any one or more of the following events shall constitute an "Event of Default":

(a) The Company timely fails to pay any payment due on the Loan.

(b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement.

(c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan.

(d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to Lender hereunder, proves to have been false in any material respect as of the time when made or given.

(e) The Company (i) becomes insolvent, or (ii) is unable to pay or admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors, or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets, or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent), or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enter into any formal or informal composition or arrangement with its creditors.

4.2 **Effect of an Event of Default.** If any Event of Default shall occur, then (1) at Lender's option, all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company and (2) Lender's obligations to fund additional Loans shall terminate.

SECTION 5 – EXPENSES AND REIMBURSEMENTS

5.1 Reimbursement. Following an Event of Default, the Company shall pay or reimburse Lender for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by Lender before and after judgment in enforcing, protecting or preserving its rights under this Agreement, the Loan, and other document required hereunder or thereunder.

5.2 Survival. The foregoing agreements and indemnities of this Section 5 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of any Loan made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 6 - MISCELLANEOUS

6.1 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail or overnight courier, addressed as follows:

If to Lender:

Ronald M. Schutz
1501 N. State Parkway, Apt. 5B
Chicago, IL 60610
E-Mail: ron.schutz@comcast.com

If to the Company:

Kim Funding, LLC
Box 676237
Rancho Santa Fe, CA 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, #300
San Diego, CA 92130
(DELIVERY BY FED EX / UPS)

With a Copy to:
ANI Development, LLC
3515 Hancock St. #200
San Diego, CA 92110

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

6.3 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

6.4 Choice of Law. This Agreement shall be governed by the laws of the State of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

6.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

6.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to Lender under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to Lender and nothing shall constitute a waiver by Lender of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

6.7 Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached.

6.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties.

6.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, nor is either party granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.

6.10 Further Acts. Each party hereby agrees that it shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement.

6.11 Confidentiality. Lender acknowledges that certain information provided to Lender by the Company is confidential and proprietary information of the Company, if and to the extent such information either (x) is marked as confidential by at the time of disclosure, or (y) should reasonably be understood to be confidential (the "Confidential Information"). Accordingly, Lender agrees that any Confidential Information it may obtain in the course of evaluating the Company shall not be disclosed to any other person in any manner whatsoever, in whole or in part, without the prior written consent of the Company, except that Lender may disclose any such information: (a) to its own general partner, officers, employees, accountants, counsel and other professional advisors and to its affiliates if Lender in its sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with a Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over Lender, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Lender's counsel, (e) to comply with any legal requirement or law applicable to Lender, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement, (g) to any participant or assignee of Lender or any prospective participant or assignee, provided, that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 6.11 prior to disclosure; or (h) otherwise with the prior consent of the Company; provided, that any disclosure made in violation of this Agreement shall not affect the obligations of the Company or any of its Affiliates under this Agreement.

6.12 Noncompete. During the term of this Agreement and for a period of five years following expiration or termination of this Agreement, Lender and Lender's affiliates shall not within California directly or indirectly engage in the business of making loans to persons seeking approval from ABC for transfers of licenses issued by ABC. The prohibition in the preceding sentence includes any and all activities by Lender or Lender's affiliates as an agent, partner, member, shareholder, owner, consultant, or lender to any business engaged in providing loans to persons seeking ABC's approval for transfers of licenses issued by ABC.

[THE REST OF THIS PAGE IS INTENTIONALLY BLANK]

SIGNATURE PAGE TO LOAN AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers and representatives as of the day and year first written above.

Kim Funding, LLC

By 

Print Name: Kim H. Peterson

Title: Managing Member

Sandra K. Schutz Trust,
Ronald Schutz, Trustee



Ronald Schutz, Trustee

Exhibit A

LOAN REQUEST

To: Sandra K. Schutz Trust
Ronald Schutz, Trustee
1501 N. State Parkway, Apt. 5B
Chicago, IL 60610

Kim Funding, LLC ("Borrower"), hereby requests from the Sandra K. Schutz Trust, Ronald Schutz, Trustee ("Lender") a loan advance in the amount of \$500,000 on January 26, 2017, pursuant to the Loan Agreement between Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

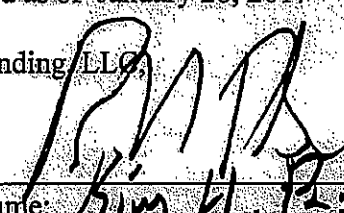
Please wire funds to the Escrow Account as follows:

Escrow Agent:	Chicago Title Company
Bank Name:	Union Bank
Bank Address:	1980 Saturn Street, Monterey Park, California 91756
International Swift Code:	BOFCUS33MPK
ABA Number:	122000496
Account Number:	0010425492
Account Name:	Chicago Title Company
Reference:	Escrow/Title Order No. 66061-DD (for escrows opened in 2017)
Escrow Office Name:	Della Ducharme Unit

Borrower represents that the conditions precedent to the Loan set forth in the Agreement are satisfied.

Executed as of January 26, 2017

Kim Funding, LLC

By: 
Print Name: Kim W. Peterson
Title: Managing Member

Case 3:19-cv-01628-LAB-AHG Document 807-13 Filed 05/31/22 PageID.16009 Page 387 of 599



Kim Peterson <kimharoldpeterson@gmail.com>

ABC Fund

1 message

Kim Peterson <kimharoldpeterson@gmail.com>
Reply-To: KimHaroldPeterson@gmail.com
To: Ron <ron.schutz@comcast.net>

Thu, Jan 26, 2017 at 4:24 PM

Ron: Attached is a SCAN which includes the Loan Agreement and the Loan Request form, both documents which have been signed by me. Upon receipt, please execute the Loan Agreement on page 8 and forward that signature page to me by SCAN. Then, please wire \$500,000, pursuant to the wire instructions on Exhibit A. Upon receiving your signature page, I will order up \$500,000 of Escrows and forward to you a copy of them after the wire has been received. If there are any questions, let me know. KIM

Kim H. Peterson
Box 676237
Rancho Santa Fe, CA 92067
Office: (858) 481-3539
Fax: (858) 481-3943
E-Mail: KimHaroldPeterson@gmail.com

 Scan0004.pdf
3560K

EXHIBIT 19

Shutz
Trust

First Amendment to Loan Agreement

This Amendment, dated **April 23, 2018**, is executed by Kim Funding, LLC, a California limited liability company (the "**Company**") and Ronald M. Schutz Trust ("**Lender**"). This Amendment is executed with reference to the following facts:

A. On or about **August 3, 2017**, the Company and Lender executed that certain Loan Agreement ("**the Agreement**") by which Lender agreed to make available to the Company up to \$75,000.00 for the purposes described in the Agreement.

B. By this Amendment, the parties desire to amend the terms of the Agreement, as provided below.

Based upon the above recitals and the mutual agreements stated below, the parties agree:

I. Section 1.1 of the Agreement is deleted in its entirety and the following substituted therefor:

1.1 Loan Advance. Subject to the terms and conditions of this Agreement, Lender will make available to the Company \$200,000.00, which the Company may use to fund Escrow Accounts ("**the Loan**").

2. Except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.


KIM FUNDING, LLC as the Company

By


Kim H. Peterson, Manager

Ronald M. Schutz Trust

By


Ronald M. Schutz, Trustee

LOAN AGREEMENT

THIS LOAN AGREEMENT ("this Agreement") dated August 3, 2017, is entered into by Kim Funding, LLC, a California limited liability company (the "Company"), and Ronald M. Schutz Trust ("Lender").

RECITALS

Whereas the Company seeks financing, the proceeds of which will be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcohol Beverage Control as required by state regulations (each an "Escrow Account");

Whereas the Company has established and will continue to establish with Chicago Title ("Escrow Holder") Escrow Accounts pursuant to agreements (each, an "Escrow Agreement") to accept the proceeds of the Loan (defined below);

Whereas Lender is willing to make a loan to the Company on the terms and conditions set forth in this Agreement.

In consideration of the mutual covenants contained herein, Lender hereby agrees to provide \$75,000.00 funds on the terms and conditions set forth below.

SECTION 1 – GENERAL TERMS

1.1 Loan Advance. Subject to the terms and conditions of this Agreement, Lender will make available to the Company \$75,000.00 which the Company may use to fund Escrow Accounts ("the Loan").

1.2 Use of Proceeds. The Company represents, warrants and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by ABC.

1.3 Loan Request. To request the Loan disbursement, the Company shall complete, sign and deliver to Lender a Loan Request in a form attached as Exhibit A (a "Loan Request") at least three Business Days before the proposed funding of an Escrow Account. Not later than 1:00 PM (California time) on the third Business Day following Lender's receipt of the Loan Request, Lender shall wire the funds in the amount and manner requested by the Loan Request. As used in this Agreement, "Business Day" shall mean any day other than a Saturday, Sunday or day on which banks in New York City are generally authorized or required by law to close.

1.4 Evidence of Indebtedness. The Company will make the payment specified in the provisions of this Agreement. Payments will be made in freely transferable funds and in the manner customary for payments in US dollars ("Cash").

1.5 Term. Lender's obligation to fund the Loan shall cease on July 31, 2019 ("the Termination Date"); however, if Lender elects not to require repayment of the Loan on the

Termination Date, the terms and conditions of this Agreement shall continue to apply to the Loan until the Loan is paid in full.

1.6 Payment. All unpaid principal and unpaid accrued interest shall be due on the Termination Date. As used herein, "Interest Payment Date" means the tenth Business Day after January 1, April 1, July 1, and October 1 of each year this Agreement remains in effect. Commencing April 14, 2017, and continuing on each Interest Payment Date thereafter, the Company shall pay to Lender interest accrued during the preceding three calendar months. The company reserves the right to prepay the Loan in whole or in part at any time(s) without penalty or additional charge.

1.7 Interest Rate. Except as provided below, the interest rate on the unpaid principal amount of the Loan shall be 10 percent per annum. Interest shall commence to accrue on the date Lender delivers to the Company the proceeds of the Loan following the Company's delivery to Lender of a Loan Request. Interest shall be computed based on a year consisting of 365 days and on the actual number of days elapsed. Notwithstanding the foregoing, if all or substantially all of the then pending Escrow Accounts are terminated as a consequence of or in response to a regulation, order, or enforcement action by ABC or Department of Business Oversight, then the interest rate on the Loan shall be the lesser of (1) 10 percent per annum or (2) the actual amount of points and interest paid by the License Applicants with respect to the Escrow Accounts funded with the proceeds of the Loan.

1.8 Maximum Interest. Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction shall finally determine that the Company has actually paid to Lender an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan; second, after all principal is repaid, to the payment of Lender's accrued interest, costs, expenses, professional fees, and third, the excess (if any) shall be refunded to the Company.

SECTION 2 - CONDITIONS PRECEDENT TO LOAN

Lender's obligation to make the Loan and allow the Loan proceeds to continue to be used to fund Escrow Accounts is subject to the conditions that (1) the Company shall have delivered to Lender a Loan Request and (2) the Loan proceeds shall be used solely to fund Escrow Accounts.

SECTION 3 - REPRESENTATIONS

3.1 Mutual Representations. Each party makes the representations that:

(a) If a party is not a natural person, it is duly organized and validly existing under the laws of the jurisdiction of formation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement, the Loan Documents, and any other documents that are required by this Agreement, to deliver and to perform its obligations under this

Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documents relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) No broker's or finder's fee or commission will be payable with respect to any Loan.

3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) This Agreement and all documents, certificates, and statements furnished or to be furnished to Lender by or on behalf of the Company in connection herewith do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein and therein not misleading. The Company knows no fact that materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to Lender by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

3.3 Lender Representations. Lender makes the representations that:

(a) It meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(b) It has the requisite knowledge and experience to assess the relative merits and risks of the Loans.

(c) It is aware that this Agreement and the Loans hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws, and is subject to restrictions

on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – EVENTS OF DEFAULT

4.1 Defaults. The occurrence of any one or more of the following events shall constitute an "Event of Default":

- (a) The Company timely fails to pay any payment due on the Loan.
- (b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement.
- (c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan.
- (d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to Lender hereunder, proves to have been false in any material respect as of the time when made or given.
- (e) The Company (i) becomes insolvent, or (ii) is unable to pay or admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors, or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets, or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent), or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enter into any formal or informal composition or arrangement with its creditors.

4.2 Effect of an Event of Default. If any Event of Default shall occur, then (1) at Lender's option, all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company and (2) Lender's obligations to fund additional Loans shall terminate.

SECTION 5 – EXPENSES AND REIMBURSEMENTS

5.1 Reimbursement. Following an Event of Default, the Company shall pay or reimburse Lender for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by Lender before and after judgment in enforcing, protecting or preserving its rights under this Agreement, the Loan, and other document required hereunder or thereunder.

5.2 Survival. The foregoing agreements and indemnities of this Section 5 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of any Loan made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document

required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 6 - MISCELLANEOUS

6.1 **Notices.** Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail or overnight courier, addressed as follows:

If to Lender:

Ronald M. Schutz
1501 N. State Parkway, Apt. 5B
Chicago, Illinois 60610
Email: ron.schutz@comcast.com

If to the Company:

KIM Funding, LLC
P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY FEDEX)

With a Copy to:

ANI Development, LLC
3515 Hancock, Unit 200
San Diego, CA 92110

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

6.3 **Entire Agreement.** This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

6.4 **Choice of Law.** This Agreement shall be governed by the laws of the State of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

6.5 **Severability.** If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent

jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

6.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to Lender under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to Lender and nothing shall constitute a waiver by Lender of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

6.7 Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached.

6.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties.

6.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, nor is either party granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.

6.10 Further Acts. Each party hereby agrees that it shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement.

6.11 Confidentiality. Lender acknowledges that certain information provided to Lender by the Company is confidential and proprietary information of the Company, if and to the extent such information either (x) is marked as confidential by at the time of disclosure, or (y) should reasonably be understood to be confidential (the "**Confidential Information**"). Accordingly, Lender agrees that any Confidential Information it may obtain in the course of evaluating the Company shall not be disclosed to any other person in any manner whatsoever, in whole or in part, without the prior written consent of the Company, except that Lender may disclose any such information: (a) to its own general partner, officers, employees, accountants, counsel and other professional advisors and to its affiliates if Lender in its sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with a Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over

Lender, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Lender's counsel, (e) to comply with any legal requirement or law applicable to Lender, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement, (g) to any participant or assignee of Lender or any prospective participant or assignee, provided, that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 6.11 prior to disclosure; or (h) otherwise with the prior consent of the Company; provided, that any disclosure made in violation of this Agreement shall not affect the obligations of the Company or any of its Affiliates under this Agreement.

6.12. Noncompete. During the term of this Agreement and for a period of five years following expiration or termination of this Agreement, Lender and Lender's affiliates shall not within California directly or indirectly engage in the business of making loans to persons seeking approval from ABC for transfers of licenses issued by ABC. The prohibition in the preceding sentence includes any and all activities by Lender or Lender's affiliates as an agent, partner, member, shareholder, owner, consultant, or lender to any business engaged in providing loans to persons seeking ABC's approval for transfers of licenses issued by ABC.

[THE REST OF THIS PAGE IS INTENTIONALLY BLANK]

SIGNATURE PAGE TO LOAN AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers and representatives as of the day and year first written above.

Kim Funding, LLC

By


Kim H. Peterson, Manager

Ronald M. Schutz Trust

By

Ronald M. Schutz, Trustee

Exhibit A

LOAN REQUEST

To: Ronald M. Schutz
1501 N. State Parkway, Apt. 5B
Chicago, Illinois 60610

Kim Funding, LLC ("Borrower"), hereby requests from Ronald M. Schutz Trust ("Lender") an additional loan advance in the amount of \$ _____ on _____, 2017, pursuant to the Loan Agreement between Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please wire funds to the Escrow Account as follows:

Escrow Agent:	Chicago Title Company
Bank Name:	Union Bank
Bank Address:	1980 Saturn Street, Monterey Park, California 91756
International Swift Code:	BOFCUS33MPK
ABA Number:	122000496
Account Number:	0010425492
Account Name:	Chicago Title Company
Reference:	Escrow/Title Order No. 66061-DD (for escrows opened in 2017)
Escrow Office Name:	Della Ducharme Unit

Borrower represents that the conditions precedent to the Loan set forth in the Agreement are satisfied.

Executed as of August __, 2017

Kim Funding, LLC,

By _____
Kim H. Peterson, Manager

SIGNATURE PAGE TO LOAN AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers and representatives as of the day and year first written above.

Kim Funding, LLC

By


Kim H. Peterson, Manager

Ronald M. Schutz Trust

By


Ronald M. Schutz, Trustee

EXHIBIT 20

KAREN

FIRST AMENDMENT TO THE LOAN AGREEMENT DATED MAY 1, 2018 BETWEEN KIM FUNDING, LLC ("COMPANY") AND KAREN V. PETERSON ("LENDER").

This First Amendment is entered into on October 10, 2018.

It is mutually agreed to by the undersigned parties, that the above referred Loan Agreement is hereby amended as follows:

Section 1.1: Lender will make available to the Company \$650,000 versus the previous \$500,000. The effective date of the additional \$150,000 will be October 1, 2018.

IN WITNESS WHEREOF, except as amended hereby, the terms of the Loan Agreement are hereby ratified and confirmed.

KIM FUNDING, LLC

By 

Kim H. Peterson, Manager

KAREN V. PETERSON

By 

Karen V. Peterson

LOAN AGREEMENT

THIS LOAN AGREEMENT ("this Agreement") dated May 1, 2018, is entered into by Kim Funding, LLC, a California limited liability company (the "Company"), and Karen V. Peterson ("Lender").

RECITALS

Whereas the Company seeks financing, the proceeds of which will be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcohol Beverage Control as required by state regulations (each an "Escrow Account");

Whereas the Company has established and will continue to establish with Chicago Title ("Escrow Holder") Escrow Accounts pursuant to agreements (each, an "Escrow Agreement") to accept the proceeds of the Loan (defined below);

Whereas Lender is willing to make a loan to the Company on the terms and conditions set forth in this Agreement.

In consideration of the mutual covenants contained herein, Lender hereby agrees to provide \$500,000.00 funds on the terms and conditions set forth below.

SECTION 1 – GENERAL TERMS

1.1 Loan Advance. Subject to the terms and conditions of this Agreement, Lender will make available to the Company \$500,000.00 which the Company may use to fund Escrow Accounts ("the Loan").

1.2 Use of Proceeds. The Company represents, warrants and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by ABC.

1.3 Loan Request. To request the Loan disbursement, the Company shall complete, sign and deliver to Lender a Loan Request in a form attached as Exhibit A (a "Loan Request") at least three Business Days before the proposed funding of an Escrow Account. Not later than 1:00 PM (California time) on the third Business Day following Lender's receipt of the Loan Request, Lender shall wire the funds in the amount and manner requested by the Loan Request. As used in this Agreement, "Business Day" shall mean any day other than a Saturday, Sunday or day on which banks in New York City are generally authorized or required by law to close.

1.4 Evidence of Indebtedness. The Company will make the payment specified in the provisions of this Agreement. Payments will be made in freely transferable funds and in the manner customary for payments in US dollars ("Cash").

1.5 Term. Lender's obligation to fund the Loan shall cease on April 30, 2019 ("the Termination Date"); however, if Lender elects not to require repayment of the Loan on the

Termination Date, the terms and conditions of this Agreement shall continue to apply to the Loan until the Loan is paid in full.

1.6 **Payment.** All unpaid principal and unpaid accrued interest shall be due on the Termination Date. As used herein, "Interest Payment Date" means the tenth Business Day after January 1, April 1, July 1, and October 1 of each year this Agreement remains in effect. Commencing April 14, 2017, and continuing on each Interest Payment Date thereafter, the Company shall pay to Lender interest accrued during the preceding three calendar months. The company reserves the right to prepay the Loan in whole or in part at any time(s) without penalty or additional charge.

1.7 **Interest Rate.** Except as provided below, the interest rate on the unpaid principal amount of the Loan shall be 10 percent per annum. Interest shall commence to accrue on the date Lender delivers to the Company the proceeds of the Loan following the Company's delivery to Lender of a Loan Request. Interest shall be computed based on a year consisting of 365 days and on the actual number of days elapsed. Notwithstanding the foregoing, if all or substantially all of the then pending Escrow Accounts are terminated as a consequence of or in response to a regulation, order, or enforcement action by ABC or Department of Business Oversight, then the interest rate on the Loan shall be the lesser of (1) 10 percent per annum or (2) the actual amount of points and interest paid by the License Applicants with respect to the Escrow Accounts funded with the proceeds of the Loan.

1.8 **Maximum Interest.** Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction shall finally determine that the Company has actually paid to Lender an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan, second, after all principal is repaid, to the payment of Lender's accrued interest, costs, expenses, professional fees, and third, the excess (if any) shall be refunded to the Company.

SECTION 2 - CONDITIONS PRECEDENT TO LOAN

Lender's obligation to make the Loan and allow the Loan proceeds to continue to be used to fund Escrow Accounts is subject to the conditions that (1) the Company shall have delivered to Lender a Loan Request and (2) the Loan proceeds shall be used solely to fund Escrow Accounts.

SECTION 3 - REPRESENTATIONS

3.1 **Mutual Representations.** Each party makes the representations that:

(a) If a party is not a natural person, it is duly organized and validly existing under the laws of the jurisdiction of formation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement, the Loan Documents, and any other documents that are required by this Agreement, to deliver and to perform its obligations under this

Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documents relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) No broker's or finder's fee or commission will be payable with respect to any Loan.

3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) This Agreement and all documents, certificates, and statements furnished or to be furnished to Lender by or on behalf of the Company in connection herewith do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein and therein not misleading. The Company knows no fact that materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to Lender by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

3.3 Lender Representations. Lender makes the representations that:

(a) It meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(b) It has the requisite knowledge and experience to assess the relative merits and risks of the Loans.

(c) It is aware that this Agreement and the Loans hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws, and is subject to restrictions

on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – EVENTS OF DEFAULT

4.1 **Defaults.** The occurrence of any one or more of the following events shall constitute an "Event of Default":

- (a) The Company timely fails to pay any payment due on the Loan.
- (b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement.
- (c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan.
- (d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to Lender hereunder, proves to have been false in any material respect as of the time when made or given.
- (e) The Company (i) becomes insolvent, or (ii) is unable to pay or admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors, or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets, or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent), or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enter into any formal or informal composition or arrangement with its creditors.

4.2 **Effect of an Event of Default.** If any Event of Default shall occur, then (1) at Lender's option, all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company and (2) Lender's obligations to fund additional Loans shall terminate.

SECTION 5 – EXPENSES AND REIMBURSEMENTS

5.1 **Reimbursement.** Following an Event of Default, the Company shall pay or reimburse Lender for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by Lender before and after judgment in enforcing, protecting or preserving its rights under this Agreement, the Loan, and other document required hereunder or thereunder.

5.2 **Survival.** The foregoing agreements and indemnities of this Section 5 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of any Loan made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document

required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 6 - MISCELLANEOUS

6.1 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail or overnight courier, addressed as follows:

If to Lender:

Karen V. Peterson
1501 N. State Parkway, Apt. 5B
Chicago, Illinois 60610
Email: karenv.peterson@cbexchange.com

If to the Company:

KIM Funding, LLC
P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY FEDEX)

With a Copy to:

ANI Development, LLC
3515 Hancock, Unit 200
San Diego, CA 92110

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

6.3 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

6.4 Choice of Law. This Agreement shall be governed by the laws of the State of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

6.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent

jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

6.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to Lender under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to Lender and nothing shall constitute a waiver by Lender of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

6.7 Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached.

6.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties.

6.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, nor is either party granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.

6.10 Further Acts. Each party hereby agrees that it shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement.

6.11 Confidentiality. Lender acknowledges that certain information provided to Lender by the Company is confidential and proprietary information of the Company, if and to the extent such information either (x) is marked as confidential by at the time of disclosure, or (y) should reasonably be understood to be confidential (the "Confidential Information"). Accordingly, Lender agrees that any Confidential Information it may obtain in the course of evaluating the Company shall not be disclosed to any other person in any manner whatsoever, in whole or in part, without the prior written consent of the Company, except that Lender may disclose any such information: (a) to its own general partner, officers, employees, accountants, counsel and other professional advisors and to its affiliates if Lender in its sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with a Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over

Lender, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Lender's counsel, (e) to comply with any legal requirement or law applicable to Lender, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement, (g) to any participant or assignee of Lender or any prospective participant or assignee, provided, that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 6.11 prior to disclosure; or (h) otherwise with the prior consent of the Company; provided, that any disclosure made in violation of this Agreement shall not affect the obligations of the Company or any of its Affiliates under this Agreement.

6.12 Noncompete. During the term of this Agreement and for a period of five years following expiration or termination of this Agreement, Lender and Lender's affiliates shall not within California directly or indirectly engage in the business of making loans to persons seeking approval from ABC for transfers of licenses issued by ABC. The prohibition in the preceding sentence includes any and all activities by Lender or Lender's affiliates as an agent, partner, member, shareholder, owner, consultant, or lender to any business engaged in providing loans to persons seeking ABC's approval for transfers of licenses issued by ABC.

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their respective authorized officers and representatives as of the day _____.

Kim Funding, LLC

By

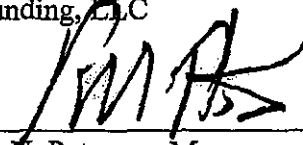

Kim H. Peterson, Manager


Karen V. Peterson

SIGNATURE PAGE TO LOAN AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers and representatives as of the day and year first written above.

Kim Funding, LLC

By 
Kim H. Peterson, Manager

Karen V. Peterson

Exhibit A

LOAN REQUEST

To: Karen V. Peterson
1501 N. State Parkway, Apt. 5B
Chicago, Illinois 60610

Kim Funding, LLC ("Borrower"), hereby requests from Karen V. Peterson ("Lender") an additional loan advance in the amount of \$ 500,000 on 5/1, 2018, pursuant to the Loan Agreement between Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please wire funds to the Escrow Account as follows:

Escrow Agent: Chicago Title Company
Bank Name: Union Bank
Bank Address: 1980 Saturn Street, Monterey Park, California 91756
International Swift Code: BOFCUS33MPK
ABA Number: 122000496
Account Number: 0010425492
Account Name: Chicago Title Company
Reference: Escrow/Title Order No. 00083790-004-DD (for escrows opened in 2018)
Escrow Office Name: Della Ducharme Unit

Borrower represents that the conditions precedent to the Loan set forth in the Agreement are satisfied.

Executed as of 5/1, 2018

Kim Funding, LLC,

By [Signature]
Kim H. Peterson, Manager

EXHIBIT 21

SAGERMAN

LOAN AGREEMENT

THIS LOAN AGREEMENT ("this Agreement") dated September 1, 2018, is entered into by Kim Funding, LLC, a California limited liability company (the "Company"), and Sagerman Family Trust dated January 23, 2013 ("Lender").

RECITALS

Whereas the Company seeks financing, the proceeds of which will be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcohol Beverage Control as required by state regulations (each an "Escrow Account");

Whereas the Company is affiliated with ANI Development, LLC, a California limited liability company ("ANI"), and ANI or the Company has established and will continue to establish with Chicago Title ("Escrow Holder") Escrow Accounts pursuant to agreements (each, an "Escrow Agreement") to accept the proceeds of the Loan (defined below);

Whereas Lender previously made a loan or loans to the Company, which loans are represented by one or more promissory notes ("the Notes");

Whereas the Company and Lender desire that, effective as of the date of this Agreement, this Agreement shall supersede and replace the Company's and Lender's rights and obligations under the Notes; and

Whereas Lender continues to be willing to make a loan to the Company on the terms and conditions set forth in this Agreement.

In consideration of the mutual covenants contained herein, Lender hereby agrees to provide certain funds on the terms and conditions set forth below.

SECTION 1 - GENERAL TERMS

1.1 Loan Advance. Subject to the terms and conditions of this Agreement, Lender will continue to make available to the Company \$200,000.00 which the Company may use to fund Escrow Accounts ("the Loan").

1.2 Use of Proceeds. The Company represents, warrants and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by ABC.

1.3 Evidence of Indebtedness. The Company will make the payment specified in the provisions of this Agreement. Payments will be made in freely transferable funds and in the manner customary for payments in US dollars.

1.4 Term. Lender's obligation to fund the Loan shall cease on August 31, 2020 ("the Termination Date"); however, if Lender elects not to require repayment of the Loan on the

2019 8/31/18
8.28.18
AMP

Termination Date, the terms and conditions of this Agreement shall continue to apply to the Loan until the Loan is paid in full.

1.5 Payment. Interest payments under the Notes and principal and interest payments under this Agreement shall be as follows:

1.5.1 All unpaid interest accrued under the Notes shall be due on **September 1, 2018**. All principal amounts advanced by Lender to the Company under the Notes shall be due under this Agreement, as provided in the next paragraph.

1.5.2 All unpaid principal and unpaid accrued interest under this Agreement shall be due on the Termination Date. As used herein, "**Interest Payment Date**" means the tenth Business Day after January 1, April 1, July 1, and October 1 of each year this Agreement remains in effect. Commencing on the first Interest Payment Date following the date of this Agreement and continuing on each Interest Payment Date thereafter, the Company shall pay to Lender interest accrued during the preceding three calendar months. The Company reserves the right to prepay the Loan in whole or in part at any time(s) without penalty or additional charge. As used in this Agreement, "**Business Day**" shall mean any day other than a Saturday, Sunday or day on which banks in New York City are generally authorized or required by law to close.

1.6 Interest Rate. Except as provided below, the interest rate on the unpaid principal amount of the Loan shall be **10 percent** per annum. Interest shall commence to accrue on the date Lender delivers to the Company the proceeds of the Loan. Interest shall be computed based on a year consisting of 365 days and on the actual number of days elapsed. Notwithstanding the foregoing, if (1) for any reason, the Agreement between ANI and the Company terminates or (2) all or substantially all of the then pending Escrow Accounts are terminated as a consequence of or in response to a regulation, order, or enforcement action by ABC or Department of Business Oversight, then the interest rate on the Loan shall be the lesser of (i) **10 percent** per annum or (ii) the actual amount of points and interest paid by the License Applicants with respect to the Escrow Accounts funded with the proceeds of the Loan.

1.7 Maximum Interest. Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction shall finally determine that the Company has actually paid to Lender an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan, second, after all principal is repaid, to the payment of Lender's accrued interest, costs, expenses, professional fees, and third, the excess (if any) shall be refunded to the Company.

SECTION 2 - CONDITION PRECEDENT TO LOAN

Lender's obligation to make the Loan and allow the Loan proceeds to continue to be used to fund Escrow Accounts is subject to the condition that the Loan proceeds shall be used solely to fund Escrow Accounts.

SECTION 3 - REPRESENTATIONS

3.1 Mutual Representations. Each party makes the representations that:

(a) If a party is not a natural person, it is duly organized and validly existing under the laws of the jurisdiction of formation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement, the Loan Documents, and any other documents that are required by this Agreement, to deliver and to perform its obligations under this Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documents relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) No broker's or finder's fee or commission will be payable with respect to any Loan.

3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) This Agreement and all documents, certificates, and statements furnished or to be furnished to Lender by or on behalf of the Company in connection herewith do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein and therein not misleading. The Company knows no fact that materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to Lender by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

3.3 Lender Representations. Lender makes the representations that:

(a) It meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(b) It has the requisite knowledge and experience to assess the relative merits and risks of the Loans.

(c) It is aware that this Agreement and the Loans hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws, and is subject to restrictions on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – EVENTS OF DEFAULT

4.1 **Defaults.** The occurrence of any one or more of the following events shall constitute an "Event of Default":

(a) The Company timely fails to pay any payment due on the Loan.

(b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement.

(c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan.

(d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to Lender hereunder, proves to have been false in any material respect as of the time when made or given.

(e) The Company (i) becomes insolvent, or (ii) is unable to pay or admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors, or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets, or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent), or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enter into any formal or informal composition or arrangement with its creditors.

4.2 **Effect of an Event of Default.** If any Event of Default shall occur, then (1) at Lender's option, all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company and (2) Lender's obligations to fund additional Loans shall terminate.

SECTION 5 – EXPENSES AND REIMBURSEMENTS

5.1 **Reimbursement.** Following an Event of Default, the Company shall pay or reimburse Lender for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable

attorneys' fees and expenses) paid or incurred by Lender before and after judgment in enforcing, protecting or preserving its rights under this Agreement, the Loan, and other document required hereunder or thereunder.

5.2 Survival. The foregoing agreements and indemnities of this Section 5 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of any Loan made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 6 - MISCELLANEOUS

6.1 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail or overnight courier, addressed as follows:

If to Lender:

Sagerman Family Trust dated January 23, 2013
6041 Camino de la Costa
La Jolla, California 92037
Email: esagerman@yahoo.com

If to the Company:

KIM Funding, LLC
P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY FEDEX)

With a Copy to:

ANI Development, LLC
3515 Hancock, Unit 200
San Diego, CA 92110

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

6.3 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

6.4 Choice of Law. This Agreement shall be governed by the laws of the State of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

6.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

6.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to Lender under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to Lender and nothing shall constitute a waiver by Lender of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

6.7 Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached.

6.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties.

6.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, nor is either party granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.

6.10 Further Acts. Each party hereby agrees that it shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement.

6.11 Confidentiality. Lender acknowledges that certain information provided to Lender by the Company is confidential and proprietary information of the Company, if and to the extent such information either (x) is marked as confidential by at the time of disclosure, or (y) should reasonably be understood to be confidential (the "Confidential Information"). Accordingly, Lender agrees that any Confidential Information it may obtain in the course of evaluating the Company shall not be disclosed to any other person in any manner whatsoever, in whole or in part, without the prior written consent of the Company, except that Lender may disclose any such information: (a) to its own

general partner, officers, employees, accountants, counsel and other professional advisors and to its affiliates if Lender in its sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with a Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over Lender, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Lender's counsel, (e) to comply with any legal requirement or law applicable to Lender, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement, (g) to any participant or assignee of Lender or any prospective participant or assignee, provided, that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 6.11 prior to disclosure, or (h) otherwise with the prior consent of the Company; provided, that any disclosure made in violation of this Agreement shall not affect the obligations of the Company or any of its Affiliates under this Agreement.

6.12 Noncompete. During the term of this Agreement and for a period of five years following expiration or termination of this Agreement, Lender and Lender's affiliates shall not within California directly or indirectly engage in the business of making loans to persons seeking approval from ABC for transfers of licenses issued by ABC. The prohibition in the preceding sentence includes any and all activities by Lender or Lender's affiliates as an agent, partner, member, shareholder, owner, consultant, or lender to any business engaged in providing loans to persons seeking ABC's approval for transfers of licenses issued by ABC.

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SIGNATURE PAGE TO LOAN AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers and representatives as of the day and year first written above.

Kim Funding, LLC

By 

Kim H. Peterson, Manager

Sagerman Family Trust dated January 23, 2013

By 

Print Name: ERIC SAGERMAN

Title: Trustee

8.28.18

Guaranty

As a material inducement to and in consideration of Sagerman Family Trust dated January 23, 2013 ("Lender") entering into that certain Loan Agreement dated September 1, 2018 (the "Loan Agreement"), the undersigned ("Guarantor") unconditionally guaranties the full performance of each and all of the terms, covenants, and conditions of the Loan Agreement to be performed by KIM Funding, LLC, a California limited liability company ("KIM"), including payment of all principal, interest, and other charges accruing thereunder.

Guarantor waives the benefit of any statute of limitations affecting the Guarantor's liability under this Guaranty.

The provisions of the Loan Agreement may be changed by agreement between Lender and KIM at any time or by course of conduct without the consent of or notice to Guarantor, in which event this Guaranty shall guaranty the performance of the Loan Agreement, as amended.

Lender may without notice assign this Guaranty in whole or in part. No assignment or transfer of the Loan Agreement or any interest therein shall operate to extinguish or diminish the liability of Guarantor hereunder.

This Guaranty shall not be affected by Lender's failure or delay to enforce any of Lender's rights.

If KIM defaults under the Loan Agreement, Lender may proceed immediately against Guarantor or KIM or both, or Lender may enforce against Guarantor or KIM or both any rights that Lender has under the Loan Agreement or pursuant to any applicable laws. If the Loan Agreement terminates and Lender has any rights that Lender can enforce against KIM after termination, Lender shall be entitled to enforce those rights against Guarantor without giving previous notice to KIM or Guarantor and without making any demand on either of them.

Guarantor waives the right to require Lender to (1) proceed against KIM, (2) proceed against or exhaust any security that Lender holds from KIM, or (3) pursue any other remedy in Lender's power. Guarantor waives any defense by reason of any disability of KIM and any defense based on the termination of KIM's liability from any cause. Guarantor acknowledges that this Guaranty will continue unchanged by any bankruptcy, reorganization or insolvency of KIM or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of KIM. Until all of KIM's obligations to Lender have been discharged in full, Guarantor waives any right of subrogation Guarantor may have against KIM. Guarantor waives Guarantor's right to enforce any remedies that Lender now has or may later have against KIM. Guarantor waives any right to participate in any security now or later held by Lender. Guarantor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor and notices of acceptance of this Guaranty, and all notices of the existence, creation, or incurring of new or additional obligations.

Guarantor shall pay to Lender all costs, including, without limitation, reasonable attorney's fees incurred in the enforcement of the obligations hereby guaranteed or the enforcement of this Guaranty.

The terms and provision of this Guaranty shall be binding upon and inure to the benefit of the respective successors and assigns of Lender and Guarantor.

Dated: September 1, 2018

Guarantor:



Kim M. Peterson

Guarantor's Address for Notice:

P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY FEDEX OR PERSONAL SERVICE)

EXHIBIT 22

MOORE

LOAN AGREEMENT

THIS LOAN AGREEMENT ("this Agreement") dated April 1, 2019, is entered into by Kim Funding, LLC, a California limited liability company (the "Company"), and Weiler-Moore Family Trust dated November 3, 1999 ("Lender").

RECITALS

Whereas the Company seeks financing, the proceeds of which will be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcohol Beverage Control as required by state regulations (each an "Escrow Account");

Whereas the Company has established and will continue to establish with Chicago Title ("Escrow Holder") Escrow Accounts pursuant to agreements (each, an "Escrow Agreement") to accept the proceeds of the Loan (defined below);

Whereas Lender is willing to make a loan to the Company on the terms and conditions set forth in this Agreement.

In consideration of the mutual covenants contained herein, Lender hereby agrees to provide certain funds on the terms and conditions set forth below.

SECTION 1 – GENERAL TERMS

1.1 Loan Advance. Subject to the terms and conditions of this Agreement, Lender will make available to the Company \$1,000,000.00 which the Company may use to fund Escrow Accounts ("the Loan").

1.2 Use of Proceeds. The Company represents, warrants and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by ABC.

1.3 Loan Request. To request the Loan disbursement, the Company shall complete, sign and deliver to Lender a Loan Request in a form attached as Exhibit A (a "Loan Request") at least three Business Days before the proposed funding of an Escrow Account. Not later than 1:00 PM (California time) on the third Business Day following Lender's receipt of the Loan Request, Lender shall wire the funds in the amount and manner requested by the Loan Request. As used in this Agreement, "Business Day" shall mean any day other than a Saturday, Sunday or day on which banks in New York City are generally authorized or required by law to close.

1.4 Evidence of Indebtedness. For each Loan Request, the Company will make the payment specified in the provisions of this Agreement. Payments will be made in freely transferable funds and in the manner customary for payments in US dollars. Payment of principal will be made as provided in Sections 1.5, 1.6 and 1.7 below.

1.5 Term. Lender's obligation to fund the Loan shall cease on March 31, 2021 ("the Termination Date"); however, if Lender elects not to require repayment of the Loan on the

Termination Date, the terms and conditions of this Agreement shall continue to apply to the Loan until the Loan is paid in full.

1.6 Payment. All unpaid principal and unpaid accrued interest shall be due on the Termination Date. As used herein, "Interest Payment Date" means the tenth Business Day after January 1, April 1, July 1, and October 1 of each year this Agreement remains in effect. Commencing on the first Interest Payment Date following the date of this Agreement and continuing on each Interest Payment Date thereafter, the Company shall pay to Lender interest accrued during the preceding three calendar months. The company reserves the right to prepay the Loan in whole or in part at any time(s) without penalty or additional charge.

1.7 Interest Rate. Except as provided below, the interest rate on the unpaid principal amount of the Loan shall be 9 percent per annum. Interest shall commence to accrue on the date Lender delivers to the Company the proceeds of the Loan following the Company's delivery to Lender of a Loan Request. Interest shall be computed based on a year consisting of 365 days and on the actual number of days elapsed. Notwithstanding the foregoing, if all or substantially all of the then pending Escrow Accounts are terminated as a consequence of or in response to a regulation, order, or enforcement action by ABC or Department of Business Oversight, then the interest rate on the Loan shall be the lesser of (1) 9 percent per annum or (2) the actual amount of points and interest paid by the License Applicants with respect to the Escrow Accounts funded with the proceeds of the Loan.

1.8 Maximum Interest. Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction shall finally determine that the Company has actually paid to Lender an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan, second, after all principal is repaid, to the payment of Lender's accrued interest, costs, expenses, professional fees, and third, the excess (if any) shall be refunded to the Company.

SECTION 2 - CONDITIONS PRECEDENT TO LOAN

Lender's obligation to make the Loan and allow the Loan proceeds to continue to be used to fund Escrow Accounts is subject to the conditions that (1) the Company shall have delivered to Lender a Loan Request and (2) the Loan proceeds shall be used solely to fund Escrow Accounts.

SECTION 3 - REPRESENTATIONS

3.1 Mutual Representations. Each party makes the representations that:

(a) If a party is not a natural person, it is duly organized and validly existing under the laws of the jurisdiction of formation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement, the Loan Documents, and any other documents that are required by this Agreement, to deliver and to perform its obligations under this

Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documents relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) No broker's or finder's fee or commission will be payable with respect to any Loan.

3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) This Agreement and all documents, certificates, and statements furnished or to be furnished to Lender by or on behalf of the Company in connection herewith do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein and therein not misleading. The Company knows no fact that materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to Lender by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

3.3 Lender Representations. Lender makes the representations that:

(a) It meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(b) It has the requisite knowledge and experience to assess the relative merits and risks of the Loans.

(c) It is aware that this Agreement and the Loans hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws, and is subject to restrictions

on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – EVENTS OF DEFAULT

4.1 **Defaults.** The occurrence of any one or more of the following events shall constitute an "Event of Default":

- (a) The Company timely fails to pay any payment due on the Loan.
- (b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement.
- (c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan.
- (d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to Lender hereunder, proves to have been false in any material respect as of the time when made or given.
- (e) The Company (i) becomes insolvent, or (ii) is unable to pay or admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors, or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets, or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent), or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enter into any formal or informal composition or arrangement with its creditors.

4.2 **Effect of an Event of Default.** If any Event of Default shall occur, then (1) at Lender's option, all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company and (2) Lender's obligations to fund additional Loans shall terminate.

SECTION 5 – EXPENSES AND REIMBURSEMENTS

5.1 **Reimbursement.** Following an Event of Default, the Company shall pay or reimburse Lender for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by Lender before and after judgment in enforcing, protecting or preserving its rights under this Agreement, the Loan, and other document required hereunder or thereunder.

5.2 **Survival.** The foregoing agreements and indemnities of this Section 5 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of any Loan made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document

required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 6 - MISCELLANEOUS

6.1 **Notices.** Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail or overnight courier, addressed as follows:

If to Lender:

Weiler-Moore Family Trust dated November 3, 1999
11762 Calla Lilly Court
Palm Beach Gardens, Florida 33418
Email: weilermoore@gmail.com

If to the Company:

KJM Funding, LLC
P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY FEDEX)

With a Copy to:

ANI Development, LLC
3515 Hancock, Unit 200
San Diego, CA 92110

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

6.3 **Entire Agreement.** This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

6.4 **Choice of Law.** This Agreement shall be governed by the laws of the State of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

6.5 **Severability.** If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent

jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

6.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to Lender under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to Lender and nothing shall constitute a waiver by Lender of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

6.7 Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached.

6.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties.

6.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, nor is either party granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.

6.10 Further Acts. Each party hereby agrees that it shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement.

6.11 Confidentiality. Lender acknowledges that certain information provided to Lender by the Company is confidential and proprietary information of the Company, if and to the extent such information either (x) is marked as confidential by at the time of disclosure, or (y) should reasonably be understood to be confidential (the "Confidential Information"). Accordingly, Lender agrees that any Confidential Information it may obtain in the course of evaluating the Company shall not be disclosed to any other person in any manner whatsoever, in whole or in part, without the prior written consent of the Company, except that Lender may disclose any such information: (a) to its own general partner, officers, employees, accountants, counsel and other professional advisors and to its affiliates if Lender in its sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with a Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over

Lender, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Lender's counsel, (e) to comply with any legal requirement or law applicable to Lender, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement, (g) to any participant or assignee of Lender or any prospective participant or assignee, provided, that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 6.11 prior to disclosure; or (h) otherwise with the prior consent of the Company; provided, that any disclosure made in violation of this Agreement shall not affect the obligations of the Company or any of its Affiliates under this Agreement.

6.12 Noncompete. During the term of this Agreement and for a period of five years following expiration or termination of this Agreement, Lender and Lender's affiliates shall not within California directly or indirectly engage in the business of making loans to persons seeking approval from ABC for transfers of licenses issued by ABC. The prohibition in the preceding sentence includes any and all activities by Lender or Lender's affiliates as an agent, partner, member, shareholder, owner, consultant, or lender to any business engaged in providing loans to persons seeking ABC's approval for transfers of licenses issued by ABC.

6.12 Option To Terminate. After October 1, 2019, Lender shall have the right to terminate this Agreement, and upon receiving such notice to terminate, the Company will return to Lender within 60 days, whatever principal and accrued interest are due and payable.

[THE REST OF THIS PAGE IS INTENTIONALLY BLANK]

SIGNATURE PAGE TO LOAN AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers and representatives as of the day and year first written above.

Kim Funding, LLC

By 

Kim H. Peterson, Manager

Weiler-Moore Family Trust dated November 3, 1999

By 

Print Name: Cynthia C. Weiler

Title: Trustee

Date: 4/19/19

Exhibit A

LOAN REQUEST

To: Weiler-Moore Family Trust dated November 3, 1999
11762 Calla Lilly Court
Palm Beach Gardens, Florida 33418
Email: weilermoore@gmail.com

Kim Funding, LLC ("Borrower"), hereby requests from Weiler-Moore Family Trust dated November 3, 1999 ("Lender") an additional loan advance in the amount of \$ _____ on _____, 2019, pursuant to the Loan Agreement between Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please wire funds to the Escrow Account as follows:

Escrow Agent: Chicago Title Company
Bank Name: City National Bank
Bank Address: 555 South Flower Street, 17th Floor, Los Angeles, California 90071
ABA Number: 122016066
Account Number: 555337205
Account Name: Chicago Title Company
Reference: Escrow/Title Order No. 00102122-004-DD (for escrows opened in 2019)
Escrow Office Name: Della Ducharme Unit

Borrower represents that the conditions precedent to the Loan set forth in the Agreement are satisfied.

Executed as of _____, 2019

Kim Funding, LLC,

By _____
Kim H. Peterson, Manager

Guaranty

As a material inducement to and in consideration of Weiler-Moore Family Trust dated November 3, 1999 ("**Lender**") entering into that certain Loan Agreement dated **April 1, 2019** (**the Loan Agreement**"), the undersigned ("**Guarantor**") unconditionally guaranties the full performance of each and all of the terms, covenants, and conditions of the Loan Agreement to be performed by KIM Funding, LLC, a California limited liability company ("**KIM**"), including payment of all principal, interest, and other charges accruing thereunder.

Guarantor waives the benefit of any statute of limitations affecting the Guarantor's liability under this Guaranty.

The provisions of the Loan Agreement may be changed by agreement between Lender and KIM at any time or by course of conduct without the consent of or notice to Guarantor, in which event this Guaranty shall guaranty the performance of the Loan Agreement, as amended.

Lender may without notice assign this Guaranty in whole or in part. No assignment or transfer of the Loan Agreement or any interest therein shall operate to extinguish or diminish the liability of Guarantor hereunder.

This Guaranty shall not be affected by Lender's failure or delay to enforce any of Lender's rights.

If KIM defaults under the Loan Agreement, Lender may proceed immediately against Guarantor or KIM or both, or Lender may enforce against Guarantor or KIM or both any rights that Lender has under the Loan Agreement or pursuant to any applicable laws. If the Loan Agreement terminates and Lender has any rights that Lender can enforce against KIM after termination, Lender shall be entitled to enforce those rights against Guarantor without giving previous notice to KIM or Guarantor and without making any demand on either of them.

Guarantor waives the right to require Lender to (1) proceed against KIM, (2) proceed against or exhaust any security that Lender holds from KIM, or (3) pursue any other remedy in Lender's power. Guarantor waives any defense by reason of any disability of KIM and any defense based on the termination of KIM's liability from any cause. Guarantor acknowledges that this Guaranty will continue unchanged by any bankruptcy, reorganization or insolvency of KIM or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of KIM. Until all of KIM's obligations to Lender have been discharged in full, Guarantor waives any right of subrogation Guarantor may have against KIM. Guarantor waives Guarantor's right to enforce any remedies that Lender now has or may later have against KIM. Guarantor waives any right to participate in any security now or later held by Lender. Guarantor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor and notices of acceptance of this Guaranty, and all notices of the existence, creation, or incurring of new or additional obligations.

Guarantor shall pay to Lender all costs, including, without limitation, reasonable attorney's fees incurred in the enforcement of the obligations hereby guaranteed or the enforcement of this Guaranty.

The terms and provision of this Guaranty shall be binding upon and inure to the benefit of the respective successors and assigns of Lender and Guarantor.

Dated: April 1, 2019

Guarantor:



Kim H. Peterson

Guarantor's Address for Notice:

P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY FEDEX OR PERSONAL SERVICE)

EXHIBIT 23

PETER

FIRST AMENDMENT TO LOAN AGREEMENT

This Amendment, dated January 2, 2019, is executed by Kim Funding, LLC, a California limited liability company ("the Company") and Peter Zwichorowski ("Lender").

- A. On January 1, 2019, the Company and Lender executed that certain Loan Agreement ("the Original Agreement"), by which Lender agreed to make available to the Company, \$550,000.
- B. By this Amendment, the parties desire to amend the terms of the Original Agreement, as provided below.

Based upon the above recitals and mutual agreements stated below, the parties agree:

Lender can shall have the right to terminate the Agreement, and upon receiving such notice to terminate, the Company will return to Lender within 90 days, whatever principal and accrued interest are due and payable.

Kim Funding, LLC

By 

Kim H. Peterson, Manager

Peter Zwichorowski

By 

Peter Zwichorowski

LOAN AGREEMENT

THIS LOAN AGREEMENT ("this Agreement") dated January 1, 2019, is entered into by Kim Funding, LLC, a California limited liability company (the "Company"), and Peter Zwichorowski ("Lender").

RECITALS

Whereas the Company seeks financing, the proceeds of which will be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcohol Beverage Control as required by state regulations (each an "Escrow Account");

Whereas the Company has established and will continue to establish with Chicago Title ("Escrow Holder") Escrow Accounts pursuant to agreements (each, an "Escrow Agreement") to accept the proceeds of the Loan (defined below);

Whereas Lender is willing to make a loan to the Company on the terms and conditions set forth in this Agreement.

In consideration of the mutual covenants contained herein, Lender hereby agrees to provide certain funds on the terms and conditions set forth below.

SECTION 1 - GENERAL TERMS

1.1 Loan Advance. Subject to the terms and conditions of this Agreement, Lender will make available to the Company \$550,000.00 which the Company may use to fund Escrow Accounts ("the Loan").

1.2 Use of Proceeds. The Company represents, warrants and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by ABC.

1.3 Loan Request. To request the Loan disbursement, the Company shall complete, sign and deliver to Lender a Loan Request in a form attached as Exhibit A (a "Loan Request") at least three Business Days before the proposed funding of an Escrow Account. Not later than 1:00 PM (California time) on the third Business Day following Lender's receipt of the Loan Request, Lender shall wire the funds in the amount and manner requested by the Loan Request. As used in this Agreement, "Business Day" shall mean any day other than a Saturday, Sunday or day on which banks in New York City are generally authorized or required by law to close.

1.4 Evidence of Indebtedness. The Company will make the payment specified in the provisions of this Agreement. Payments will be made in freely transferable funds and in the manner customary for payments in US dollars.

1.5 Term. Lender's obligation to fund the Loan shall cease on December 31, 2020 ("the Termination Date"); however, if Lender elects not to require repayment of the Loan on the

Termination Date, the terms and conditions of this Agreement shall continue to apply to the Loan until the Loan is paid in full.

1.6 Payment. All unpaid principal and unpaid accrued interest shall be due on the Termination Date. As used herein, "Interest Payment Date" means the tenth Business Day after January 1, April 1, July 1, and October 1 of each year this Agreement remains in effect. Commencing on the first Interest Payment Date following the date of this Agreement and continuing on each Interest Payment Date thereafter, the Company shall pay to Lender interest accrued during the preceding three calendar months. The company reserves the right to prepay the Loan in whole or in part at any time(s) without penalty or additional charge.

1.7 Interest Rate. Except as provided below, the interest rate on the unpaid principal amount of the Loan shall be 10 percent per annum. Interest shall commence to accrue on the date Lender delivers to the Company the proceeds of the Loan following the Company's delivery to Lender of a Loan Request. Interest shall be computed based on a year consisting of 365 days and on the actual number of days elapsed. Notwithstanding the foregoing, if all or substantially all of the then pending Escrow Accounts are terminated as a consequence of or in response to a regulation, order, or enforcement action by ABC or Department of Business Oversight, then the interest rate on the Loan shall be the lesser of (1) 10 percent per annum or (2) the actual amount of points and interest paid by the License Applicants with respect to the Escrow Accounts funded with the proceeds of the Loan.

1.8 Maximum Interest. Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction shall finally determine that the Company has actually paid to Lender an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan, second, after all principal is repaid, to the payment of Lender's accrued interest, costs, expenses, professional fees, and third, the excess (if any) shall be refunded to the Company.

SECTION 2 - CONDITIONS PRECEDENT TO LOAN

Lender's obligation to make the Loan and allow the Loan proceeds to continue to be used to fund Escrow Accounts is subject to the conditions that (1) the Company shall have delivered to Lender a Loan Request and (2) the Loan proceeds shall be used solely to fund Escrow Accounts.

SECTION 3 - REPRESENTATIONS

3.1 Mutual Representations. Each party makes the representations that:

(a) If a party is not a natural person, it is duly organized and validly existing under the laws of the jurisdiction of formation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement, the Loan Documents, and any other documents that are required by this Agreement, to deliver and to perform its obligations under this

Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documents relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) No broker's or finder's fee or commission will be payable with respect to any Loan.

3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) This Agreement and all documents, certificates, and statements furnished or to be furnished to Lender by or on behalf of the Company in connection herewith do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein and therein not misleading. The Company knows no fact that materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to Lender by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

3.3 Lender Representations. Lender makes the representations that:

(a) It meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(b) It has the requisite knowledge and experience to assess the relative merits and risks of the Loans.

(c) It is aware that this Agreement and the Loans hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws, and is subject to restrictions

on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – EVENTS OF DEFAULT

4.1 **Defaults.** The occurrence of any one or more of the following events shall constitute an "Event of Default":

- (a) The Company timely fails to pay any payment due on the Loan.
- (b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement.
- (c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan.
- (d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to Lender hereunder, proves to have been false in any material respect as of the time when made or given.
- (e) The Company (i) becomes insolvent, or (ii) is unable to pay or admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors, or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets, or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent), or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enter into any formal or informal composition or arrangement with its creditors.

4.2 **Effect of an Event of Default.** If any Event of Default shall occur, then (1) at Lender's option, all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company and (2) Lender's obligations to fund additional Loans shall terminate.

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5.1 **Reimbursement.** Following an Event of Default, the Company shall pay or reimburse Lender for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by Lender before and after judgment in enforcing, protecting or preserving its rights under this Agreement, the Loan, and other document required hereunder or thereunder.

5.2 **Survival.** The foregoing agreements and indemnities of this Section 5 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of any Loan made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document

required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 6 - MISCELLANEOUS

6.1 **Notices.** Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail or overnight courier, addressed as follows:

If to Lender:

Peter Zwichorowski
12626 High Bluff Drive, Suite 360
San Diego, California 92130
Email: Peter.Z@bristolbrokerage.com

If to the Company:

KIM Funding, LLC
P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY FEDEX)

With a Copy to:

ANI Development, LLC
3515 Hancock, Unit 200
San Diego, CA 92110

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

6.3 **Entire Agreement.** This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

6.4 **Choice of Law.** This Agreement shall be governed by the laws of the State of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

6.5 **Severability.** If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent

jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

6.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to Lender under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to Lender and nothing shall constitute a waiver by Lender of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

6.7 Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached.

6.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties.

6.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, nor is either party granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.

6.10 Further Acts. Each party hereby agrees that it shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement.

6.11 Confidentiality. Lender acknowledges that certain information provided to Lender by the Company is confidential and proprietary information of the Company, if and to the extent such information either (x) is marked as confidential by at the time of disclosure, or (y) should reasonably be understood to be confidential (the "Confidential Information"). Accordingly, Lender agrees that any Confidential Information it may obtain in the course of evaluating the Company shall not be disclosed to any other person in any manner whatsoever, in whole or in part, without the prior written consent of the Company, except that Lender may disclose any such information: (a) to its own general partner, officers, employees, accountants, counsel and other professional advisors and to its affiliates if Lender in its sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with a Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over

Lender, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Lender's counsel, (e) to comply with any legal requirement or law applicable to Lender, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement, (g) to any participant or assignee of Lender or any prospective participant or assignee, provided, that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 6.11 prior to disclosure; or (h) otherwise with the prior consent of the Company; provided, that any disclosure made in violation of this Agreement shall not affect the obligations of the Company or any of its Affiliates under this Agreement.

6.12 Noncompete. During the term of this Agreement and for a period of five years following expiration or termination of this Agreement, Lender and Lender's affiliates shall not within California directly or indirectly engage in the business of making loans to persons seeking approval from ABC for transfers of licenses issued by ABC. The prohibition in the preceding sentence includes any and all activities by Lender or Lender's affiliates as an agent, partner, member, shareholder, owner, consultant, or lender to any business engaged in providing loans to persons seeking ABC's approval for transfers of licenses issued by ABC.

[THE REST OF THIS PAGE IS INTENTIONALLY BLANK]

SIGNATURE PAGE TO LOAN AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers and representatives as of the day and year first written above.

Kim Funding, LLC

By 

Kim H. Peterson, Manager

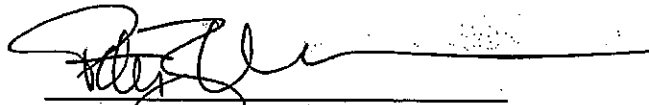

Peter Zwichorowski

Exhibit A

LOAN REQUEST

To: Peter Zwichorowski
12626 High Bluff Drive, Suite 360
San Diego, California 92130
Email: Peter.Z@bristolbrokerage.com

Kim Funding, LLC ("Borrower"), hereby requests from Peter Zwichorowski ("Lender") an additional loan advance in the amount of \$_____ on _____, 2019, pursuant to the Loan Agreement between Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please wire funds to the Escrow Account as follows:

Escrow Agent: Chicago Title Company
Bank Name: City National Bank
Bank Address: 555 South Flower Street, 17th Floor, Los Angeles, California 90071
ABA Number: 122016066
Account Number: 555337205
Account Name: Chicago Title Company
Reference: Escrow/Title Order No. 00102122-004--DD (for escrows opened in 2019)
Escrow Office Name: Della Ducharme Unit

Borrower represents that the conditions precedent to the Loan set forth in the Agreement are satisfied.

Executed as of _____, 2019

Kim Funding, LLC,

By _____
Kim H. Peterson, Manager

Guaranty

As a material inducement to and in consideration of Peter Zwichorowski ("Lender") entering into that certain Loan Agreement dated **January 1, 2019 (the Loan Agreement)**, the undersigned ("**Guarantor**") unconditionally guaranties the full performance of each and all of the terms, covenants, and conditions of the Loan Agreement to be performed by KIM Funding, LLC, a California limited liability company ("**KIM**"), including payment of all principal, interest, and other charges accruing thereunder.

Guarantor waives the benefit of any statute of limitations affecting the Guarantor's liability under this Guaranty.

The provisions of the Loan Agreement may be changed by agreement between Lender and KIM at any time or by course of conduct without the consent of or notice to Guarantor, in which event this Guaranty shall guaranty the performance of the Loan Agreement, as amended.

Lender may without notice assign this Guaranty in whole or in part. No assignment or transfer of the Loan Agreement or any interest therein shall operate to extinguish or diminish the liability of Guarantor hereunder.

This Guaranty shall not be affected by Lender's failure or delay to enforce any of Lender's rights.

If KIM defaults under the Loan Agreement, Lender may proceed immediately against Guarantor or KIM or both, or Lender may enforce against Guarantor or KIM or both any rights that Lender has under the Loan Agreement or pursuant to any applicable laws. If the Loan Agreement terminates and Lender has any rights that Lender can enforce against KIM after termination, Lender shall be entitled to enforce those rights against Guarantor without giving previous notice to KIM or Guarantor and without making any demand on either of them.


Guarantor waives the right to require Lender to (1) proceed against KIM, (2) proceed against or exhaust any security that Lender holds from KIM, or (3) pursue any other remedy in Lender's power. Guarantor waives any defense by reason of any disability of KIM and any defense based on the termination of KIM's liability from any cause. Guarantor acknowledges that this Guaranty will continue unchanged by any bankruptcy, reorganization or insolvency of KIM or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of KIM. Until all of KIM's obligations to Lender have been discharged in full, Guarantor waives any right of subrogation Guarantor may have against KIM. Guarantor waives Guarantor's right to enforce any remedies that Lender now has or may later have against KIM. Guarantor waives any right to participate in any security now or later held by Lender. Guarantor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor and notices of acceptance of this Guaranty, and all notices of the existence, creation, or incurring of new or additional obligations.

Guarantor shall pay to Lender all costs, including, without limitation, reasonable attorney's fees incurred in the enforcement of the obligations hereby guaranteed or the enforcement of this Guaranty.

The terms and provision of this Guaranty shall be binding upon and inure to the benefit of the respective successors and assigns of Lender and Guarantor.

Dated: January 1, 2019

Guarantor:



Kim H. Peterson

Guarantor's Address for Notice:

P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY FEDEX OR PERSONAL SERVICE)

EXHIBIT 24

PETER
901

LOAN AGREEMENT

THIS LOAN AGREEMENT ("this Agreement") dated January 1, 2019, is entered into by Kim Funding, LLC, a California limited liability company (the "Company"), and Bristol Brokerage Company 401k Plan ("Lender").

RECITALS

Whereas the Company seeks financing, the proceeds of which will be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcohol Beverage Control as required by state regulations (each an "Escrow Account");

Whereas the Company has established and will continue to establish with Chicago Title ("Escrow Holder") Escrow Accounts pursuant to agreements (each, an "Escrow Agreement") to accept the proceeds of the Loan (defined below);

Whereas Lender is willing to make a loan to the Company on the terms and conditions set forth in this Agreement.

In consideration of the mutual covenants contained herein, Lender hereby agrees to provide certain funds on the terms and conditions set forth below.

SECTION 1 - GENERAL TERMS

1.1 Loan Advance. Subject to the terms and conditions of this Agreement, Lender will make available to the Company \$225,000.00 which the Company may use to fund Escrow Accounts ("the Loan").

1.2 Use of Proceeds. The Company represents, warrants and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by ABC.

1.3 Loan Request. To request the Loan disbursement, the Company shall complete, sign and deliver to Lender a Loan Request in a form attached as Exhibit A (a "Loan Request") at least three Business Days before the proposed funding of an Escrow Account. Not later than 1:00 PM (California time) on the third Business Day following Lender's receipt of the Loan Request, Lender shall wire the funds in the amount and manner requested by the Loan Request. As used in this Agreement, "Business Day" shall mean any day other than a Saturday, Sunday or day on which banks in New York City are generally authorized or required by law to close.

1.4 Evidence of Indebtedness. The Company will make the payment specified in the provisions of this Agreement. Payments will be made in freely transferable funds and in the manner customary for payments in US dollars.

1.5 Term. Lender's obligation to fund the Loan shall cease on **December 31, 2020** ("the Termination Date"); however, if Lender elects not to require repayment of the Loan on the

Termination Date, the terms and conditions of this Agreement shall continue to apply to the Loan until the Loan is paid in full.

1.6 Payment. All unpaid principal and unpaid accrued interest shall be due on the Termination Date. As used herein, "**Interest Payment Date**" means the tenth Business Day after January 1, April 1, July 1, and October 1 of each year this Agreement remains in effect. Commencing on the first Interest Payment Date following the date of this Agreement and continuing on each Interest Payment Date thereafter, the Company shall pay to Lender interest accrued during the preceding three calendar months. The company reserves the right to prepay the Loan in whole or in part at any time(s) without penalty or additional charge.

1.7 Interest Rate. Except as provided below, the interest rate on the unpaid principal amount of the Loan shall be **10 percent** per annum. Interest shall commence to accrue on the date Lender delivers to the Company the proceeds of the Loan following the Company's delivery to Lender of a Loan Request. Interest shall be computed based on a year consisting of 365 days and on the actual number of days elapsed. Notwithstanding the foregoing, if all or substantially all of the then pending Escrow Accounts are terminated as a consequence of or in response to a regulation, order, or enforcement action by ABC or Department of Business Oversight, then the interest rate on the Loan shall be the lesser of: (1) **10 percent** per annum or (2) the actual amount of points and interest paid by the License Applicants with respect to the Escrow Accounts funded with the proceeds of the Loan.

1.8 Maximum Interest. Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction shall finally determine that the Company has actually paid to Lender an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan, second, after all principal is repaid, to the payment of Lender's accrued interest, costs, expenses, professional fees, and third, the excess (if any) shall be refunded to the Company.

SECTION 2 - CONDITIONS PRECEDENT TO LOAN

Lender's obligation to make the Loan and allow the Loan proceeds to continue to be used to fund Escrow Accounts is subject to the conditions that (1) the Company shall have delivered to Lender a Loan Request and (2) the Loan proceeds shall be used solely to fund Escrow Accounts.

SECTION 3 - REPRESENTATIONS

3.1 Mutual Representations. Each party makes the representations that:

(a) If a party is not a natural person, it is duly organized and validly existing under the laws of the jurisdiction of formation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement, the Loan Documents, and any other documents that are required by this Agreement, to deliver and to perform its obligations under this

Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documents relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) No broker's or finder's fee or commission will be payable with respect to any Loan.

3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) This Agreement and all documents, certificates, and statements furnished or to be furnished to Lender by or on behalf of the Company in connection herewith do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein and therein not misleading. The Company knows no fact that materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to Lender by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

3.3 Lender Representations. Lender makes the representations that:

(a) It meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(b) It has the requisite knowledge and experience to assess the relative merits and risks of the Loans.

(c) It is aware that this Agreement and the Loans hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws, and is subject to restrictions

on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – EVENTS OF DEFAULT

4.1 **Defaults.** The occurrence of any one or more of the following events shall constitute an "Event of Default":

- (a) The Company timely fails to pay any payment due on the Loan.
- (b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement.
- (c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan.
- (d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to Lender hereunder, proves to have been false in any material respect as of the time when made or given.
- (e) The Company (i) becomes insolvent, or (ii) is unable to pay or admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors, or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets, or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent), or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enter into any formal or informal composition or arrangement with its creditors.

4.2 **Effect of an Event of Default.** If any Event of Default shall occur, then (1) at Lender's option, all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company and (2) Lender's obligations to fund additional Loans shall terminate.

SECTION 5 – EXPENSES AND REIMBURSEMENTS

5.1 **Reimbursement.** Following an Event of Default, the Company shall pay or reimburse Lender for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by Lender before and after judgment in enforcing, protecting or preserving its rights under this Agreement, the Loan, and other document required hereunder or thereunder.

5.2 **Survival.** The foregoing agreements and indemnities of this Section 5 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of any Loan made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document

required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 6 - MISCELLANEOUS

6.1 **Notices.** Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail or overnight courier, addressed as follows:

If to Lender:

Peter Zwichorowski
12626 High Bluff Drive, Suite 360
San Diego, California 92130
Email: Peter.Z@bristolbrokerage.com

If to the Company:

KIM Funding, LLC
P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY FEDEX)

With a Copy to:

ANI Development, LLC
3515 Hancock, Unit 200
San Diego, CA 92110

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

6.3 **Entire Agreement.** This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

6.4 **Choice of Law.** This Agreement shall be governed by the laws of the State of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

6.5 **Severability.** If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent

jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

6.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to Lender under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to Lender and nothing shall constitute a waiver by Lender of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

6.7 Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached.

6.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties.

6.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, nor is either party granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.

6.10 Further Acts. Each party hereby agrees that it shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement.

6.11 Confidentiality. Lender acknowledges that certain information provided to Lender by the Company is confidential and proprietary information of the Company, if and to the extent such information either (x) is marked as confidential by at the time of disclosure, or (y) should reasonably be understood to be confidential (the "Confidential Information"). Accordingly, Lender agrees that any Confidential Information it may obtain in the course of evaluating the Company shall not be disclosed to any other person in any manner whatsoever, in whole or in part, without the prior written consent of the Company, except that Lender may disclose any such information: (a) to its own general partner, officers, employees, accountants, counsel and other professional advisors and to its affiliates if Lender in its sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with a Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over

Lender, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Lender's counsel, (e) to comply with any legal requirement or law applicable to Lender, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement, (g) to any participant or assignee of Lender or any prospective participant or assignee, provided, that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 6.11 prior to disclosure; or (h) otherwise with the prior consent of the Company; provided, that any disclosure made in violation of this Agreement shall not affect the obligations of the Company or any of its Affiliates under this Agreement.

6.12 Noncompete. During the term of this Agreement and for a period of five years following expiration or termination of this Agreement, Lender and Lender's affiliates shall not within California directly or indirectly engage in the business of making loans to persons seeking approval from ABC for transfers of licenses issued by ABC. The prohibition in the preceding sentence includes any and all activities by Lender or Lender's affiliates as an agent, partner, member, shareholder, owner, consultant, or lender to any business engaged in providing loans to persons seeking ABC's approval for transfers of licenses issued by ABC.

[THE REST OF THIS PAGE IS INTENTIONALLY BLANK]

SIGNATURE PAGE TO LOAN AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers and representatives as of the day and year first written above.

Kim Funding, LLC

By 

Kim H. Peterson, Manager

Bristol Brokerage Company 401k Plan

By 

Peter Zwischonowski

Title President

Exhibit A

LOAN REQUEST

To: Bristol Brokerage Company, 401 K Plan
12626 High Bluff Drive, Suite 360
San Diego, California 92130
Email: Peter.Z@bristolbrokerage.com

Kim Funding, LLC ("Borrower"), hereby requests from Bristol Brokerage Company 401k Plan ("Lender") an additional loan advance in the amount of \$ _____ on _____, 2019, pursuant to the Loan Agreement between Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please wire funds to the Escrow Account as follows:

Escrow Agent: Chicago Title Company
Bank Name: City National Bank
Bank Address: 555 South Flower Street, 17th Floor, Los Angeles, California 90071
ABA Number: 122016066
Account Number: 555337205
Account Name: Chicago Title Company
Reference: Escrow/Title Order No. 00102122-004-DD-DD (for escrows
opened in 2019)
Escrow Office Name: Della Ducharme Unit

Borrower represents that the conditions precedent to the Loan set forth in the Agreement are satisfied.

Executed as of _____, 2019

Kim Funding, LLC,

By _____
Kim H. Peterson, Manager

Guaranty

As a material inducement to and in consideration of Bristol Brokerage Company 401k Plan ("**Lender**") entering into that certain Loan Agreement dated **January 1, 2019** (the "**Loan Agreement**"), the undersigned ("**Guarantor**") unconditionally guaranties the full performance of each and all of the terms, covenants, and conditions of the Loan Agreement to be performed by KIM Funding, LLC, a California limited liability company ("**KIM**"), including payment of all principal, interest, and other charges accruing thereunder.

Guarantor waives the benefit of any statute of limitations affecting the Guarantor's liability under this Guaranty.

The provisions of the Loan Agreement may be changed by agreement between Lender and KIM at any time or by course of conduct without the consent of or notice to Guarantor, in which event this Guaranty shall guaranty the performance of the Loan Agreement, as amended.

Lender may without notice assign this Guaranty in whole or in part. No assignment or transfer of the Loan Agreement or any interest therein shall operate to extinguish or diminish the liability of Guarantor hereunder.

This Guaranty shall not be affected by Lender's failure or delay to enforce any of Lender's rights.

If KIM defaults under the Loan Agreement, Lender may proceed immediately against Guarantor or KIM or both, or Lender may enforce against Guarantor or KIM or both any rights that Lender has under the Loan Agreement or pursuant to any applicable laws. If the Loan Agreement terminates and Lender has any rights that Lender can enforce against KIM after termination, Lender shall be entitled to enforce those rights against Guarantor without giving previous notice to KIM or Guarantor and without making any demand on either of them.

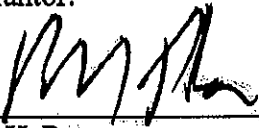
Guarantor waives the right to require Lender to (1) proceed against KIM, (2) proceed against or exhaust any security that Lender holds from KIM, or (3) pursue any other remedy in Lender's power. Guarantor waives any defense by reason of any disability of KIM and any defense based on the termination of KIM's liability from any cause. Guarantor acknowledges that this Guaranty will continue unchanged by any bankruptcy, reorganization or insolvency of KIM or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of KIM. Until all of KIM's obligations to Lender have been discharged in full, Guarantor waives any right of subrogation Guarantor may have against KIM. Guarantor waives Guarantor's right to enforce any remedies that Lender now has or may later have against KIM. Guarantor waives any right to participate in any security now or later held by Lender. Guarantor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor and notices of acceptance of this Guaranty, and all notices of the existence, creation, or incurring of new or additional obligations.

Guarantor shall pay to Lender all costs, including, without limitation, reasonable attorney's fees incurred in the enforcement of the obligations hereby guaranteed or the enforcement of this Guaranty.

The terms and provision of this Guaranty shall be binding upon and inure to the benefit of the respective successors and assigns of Lender and Guarantor.

Dated: January 1, 2019

Guarantor:



Kim H. Peterson

Guarantor's Address for Notice:

P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY FEDEX OR PERSONAL SERVICE)

EXHIBIT 25

L-12E

LOAN AGREEMENT

THIS LOAN AGREEMENT ("this Agreement") dated January 1, 2019, is entered into by Kim Funding, LLC, a California limited liability company (the "Company"), and Lyle Family Trust dated July 10, 1992 ("Lender").

RECITALS

Whereas the Company seeks financing, the proceeds of which will be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcohol Beverage Control as required by state regulations (each an "Escrow Account");

Whereas the Company has established and will continue to establish with Chicago Title ("Escrow Holder") Escrow Accounts pursuant to agreements (each, an "Escrow Agreement") to accept the proceeds of the Loan (defined below);

Whereas Lender is willing to make a loan to the Company on the terms and conditions set forth in this Agreement.

In consideration of the mutual covenants contained herein, Lender hereby agrees to provide certain funds on the terms and conditions set forth below.

SECTION 1 - GENERAL TERMS

1.1 Loan Advance. Subject to the terms and conditions of this Agreement, Lender will make available to the Company \$100,000.00 which the Company may use to fund Escrow Accounts ("the Loan").

1.2 Use of Proceeds. The Company represents, warrants and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by ABC.

1.3 Loan Request. To request the Loan disbursement, the Company shall complete, sign and deliver to Lender a Loan Request in a form attached as Exhibit A (a "Loan Request") at least three Business Days before the proposed funding of an Escrow Account. Not later than 1:00 PM (California time) on the third Business Day following Lender's receipt of the Loan Request, Lender shall wire the funds in the amount and manner requested by the Loan Request. As used in this Agreement, "Business Day" shall mean any day other than a Saturday, Sunday or day on which banks in New York City are generally authorized or required by law to close.

1.4 Evidence of Indebtedness. The Company will make the payment specified in the provisions of this Agreement. Payments will be made in freely transferable funds and in the manner customary for payments in US dollars.

1.5 Term. Lender's obligation to fund the Loan shall cease on December 31, 2020 ("the Termination Date"); however, if Lender elects not to require repayment of the Loan on the

Termination Date, the terms and conditions of this Agreement shall continue to apply to the Loan until the Loan is paid in full.

1.6 Payment. All unpaid principal and unpaid accrued interest shall be due on the Termination Date. As used herein, "Interest Payment Date" means the tenth Business Day after January 1, April 1, July 1, and October 1 of each year this Agreement remains in effect. Commencing on the first Interest Payment Date following the date of this Agreement and continuing on each Interest Payment Date thereafter, the Company shall pay to Lender interest accrued during the preceding three calendar months. The company reserves the right to prepay the Loan in whole or in part at any time(s) without penalty or additional charge.

1.7 Interest Rate. Except as provided below, the interest rate on the unpaid principal amount of the Loan shall be 9 percent per annum. Interest shall commence to accrue on the date Lender delivers to the Company the proceeds of the Loan following the Company's delivery to Lender of a Loan Request. Interest shall be computed based on a year consisting of 365 days and on the actual number of days elapsed. Notwithstanding the foregoing, if all or substantially all of the then pending Escrow Accounts are terminated as a consequence of or in response to a regulation, order, or enforcement action by ABC or Department of Business Oversight, then the interest rate on the Loan shall be the lesser of (1) 9 percent per annum or (2) the actual amount of points and interest paid by the License Applicants with respect to the Escrow Accounts funded with the proceeds of the Loan.

1.8 Maximum Interest. Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction shall finally determine that the Company has actually paid to Lender an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan, second, after all principal is repaid, to the payment of Lender's accrued interest, costs, expenses, professional fees, and third, the excess (if any) shall be refunded to the Company.

SECTION 2 - CONDITIONS PRECEDENT TO LOAN

Lender's obligation to make the Loan and allow the Loan proceeds to continue to be used to fund Escrow Accounts is subject to the conditions that (1) the Company shall have delivered to Lender a Loan Request and (2) the Loan proceeds shall be used solely to fund Escrow Accounts.

SECTION 3 - REPRESENTATIONS

3.1 Mutual Representations. Each party makes the representations that:

(a) If a party is not a natural person, it is duly organized and validly existing under the laws of the jurisdiction of formation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement, the Loan Documents, and any other documents that are required by this Agreement, to deliver and to perform its obligations under this

Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documents relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) No broker's or finder's fee or commission will be payable with respect to any Loan.

3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) This Agreement and all documents, certificates, and statements furnished or to be furnished to Lender by or on behalf of the Company in connection herewith do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein and therein not misleading. The Company knows no fact that materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to Lender by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

3.3 Lender Representations. Lender makes the representations that:

(a) It meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(b) It has the requisite knowledge and experience to assess the relative merits and risks of the Loans.

(c) It is aware that this Agreement and the Loans hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws, and is subject to restrictions

on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – EVENTS OF DEFAULT

4.1 **Defaults.** The occurrence of any one or more of the following events shall constitute an "Event of Default":

- (a) The Company timely fails to pay any payment due on the Loan.
- (b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement.
- (c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan.
- (d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to Lender hereunder, proves to have been false in any material respect as of the time when made or given.
- (e) The Company (i) becomes insolvent, or (ii) is unable to pay or admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors, or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets, or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent), or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enter into any formal or informal composition or arrangement with its creditors.

4.2 **Effect of an Event of Default.** If any Event of Default shall occur, then (1) at Lender's option, all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company and (2) Lender's obligations to fund additional Loans shall terminate.

SECTION 5 – EXPENSES AND REIMBURSEMENTS

5.1 **Reimbursement.** Following an Event of Default, the Company shall pay or reimburse Lender for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by Lender before and after judgment in enforcing, protecting or preserving its rights under this Agreement, the Loan, and other document required hereunder or thereunder.

5.2 **Survival.** The foregoing agreements and indemnities of this Section 5 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of any Loan made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document

required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 6 - MISCELLANEOUS

6.1 **Notices.** Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail or overnight courier, addressed as follows:

If to Lender:

Lyle Family Trust dated July 10, 1992
1287 Silverado Street
La Jolla, California 92037
Email: d.m.lyle@leee.org

If to the Company:

KIM Funding, LLC
P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY REDEX)

With a Copy to:

ANI Development, LLC
3515 Hancock, Unit 200
San Diego, CA 92110

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

6.3 **Entire Agreement.** This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

6.4 **Choice of Law.** This Agreement shall be governed by the laws of the State of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

6.5 **Severability.** If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent

jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

6.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to Lender under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to Lender and nothing shall constitute a waiver by Lender of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

6.7 Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached.

6.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties.

6.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, nor is either party granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.

6.10 Further Acts. Each party hereby agrees that it shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement.

6.11 Confidentiality. Lender acknowledges that certain information provided to Lender by the Company is confidential and proprietary information of the Company, if and to the extent such information either (x) is marked as confidential by at the time of disclosure, or (y) should reasonably be understood to be confidential (the "Confidential Information"). Accordingly, Lender agrees that any Confidential Information it may obtain in the course of evaluating the Company shall not be disclosed to any other person in any manner whatsoever, in whole or in part, without the prior written consent of the Company, except that Lender may disclose any such information: (a) to its own general partner, officers, employees, accountants, counsel and other professional advisors and to its affiliates if Lender in its sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with a Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over

Lender, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Lender's counsel, (e) to comply with any legal requirement or law applicable to Lender, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement, (g) to any participant or assignee of Lender or any prospective participant or assignee, provided, that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 6.11 prior to disclosure; or (h) otherwise with the prior consent of the Company; provided, that any disclosure made in violation of this Agreement shall not affect the obligations of the Company or any of its Affiliates under this Agreement.

6.12 Noncompete. During the term of this Agreement and for a period of five years following expiration or termination of this Agreement, Lender and Lender's affiliates shall not within California directly or indirectly engage in the business of making loans to persons seeking approval from ABC for transfers of licenses issued by ABC. The prohibition in the preceding sentence includes any and all activities by Lender or Lender's affiliates as an agent, partner, member, shareholder, owner, consultant, or lender to any business engaged in providing loans to persons seeking ABC's approval for transfers of licenses issued by ABC.

[THE REST OF THIS PAGE IS INTENTIONALLY BLANK]

SIGNATURE PAGE TO LOAN AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers and representatives as of the day and year first written above.

Kim Funding, LLC

By 

Kim H. Peterson, Manager

Lyle Family Trust dated July 10, 1992

By 

Print Name: Don M Lyle

Title: Trustee

Exhibit A

LOAN REQUEST

To: Lyle Family Trust dated July 10, 1992
1287 Silverado Street
La Jolla, California 92037
Email: d.m.lyle@icee.org

Kim Funding, LLC ("Borrower"), hereby requests from Lyle Family Trust dated July 10, 1992 ("Lender") an additional loan advance in the amount of \$ 100,000 on 1/1, 2019, pursuant to the Loan Agreement between Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please wire funds to the Escrow Account as follows:

Escrow Agent: Chicago Title Company
Bank Name: City National Bank
Bank Address: 555 South Flower Street, 17th Floor, Los Angeles, California 90071
ABA Number: 122016066
Account Number: 555337205
Account Name: Chicago Title Company
Reference: Escrow/Title Order No. 00083790-004-DD (for escrows opened in 2018)
Escrow Office Name: Della Ducharme Unit

Borrower represents that the conditions precedent to the Loan set forth in the Agreement are satisfied.

Executed as of 1/1, 2019

Kim Funding, LLC,

By [Signature]
Kim H. Peterson, Manager

Guaranty

As a material inducement to and in consideration of Lyle Family Trust dated July 10, 1992 ("Lender") entering into that certain Loan Agreement dated January 1, 2019 (the Loan Agreement"), the undersigned ("Guarantor") unconditionally guaranties the full performance of each and all of the terms, covenants, and conditions of the Loan Agreement to be performed by KIM Funding, LLC, a California limited liability company ("KIM"), including payment of all principal, interest, and other charges accruing thereunder.

Guarantor waives the benefit of any statute of limitations affecting the Guarantor's liability under this Guaranty.

The provisions of the Loan Agreement may be changed by agreement between Lender and KIM at any time or by course of conduct without the consent of or notice to Guarantor, in which event this Guaranty shall guaranty the performance of the Loan Agreement, as amended.

Lender may without notice assign this Guaranty in whole or in part. No assignment or transfer of the Loan Agreement or any interest therein shall operate to extinguish or diminish the liability of Guarantor hereunder.

This Guaranty shall not be affected by Lender's failure or delay to enforce any of Lender's rights.

If KIM defaults under the Loan Agreement, Lender may proceed immediately against Guarantor or KIM or both, or Lender may enforce against Guarantor or KIM or both any rights that Lender has under the Loan Agreement or pursuant to any applicable laws. If the Loan Agreement terminates and Lender has any rights that Lender can enforce against KIM after termination, Lender shall be entitled to enforce those rights against Guarantor without giving previous notice to KIM or Guarantor and without making any demand on either of them.

Guarantor waives the right to require Lender to (1) proceed against KIM, (2) proceed against or exhaust any security that Lender holds from KIM, or (3) pursue any other remedy in Lender's power. Guarantor waives any defense by reason of any disability of KIM and any defense based on the termination of KIM's liability from any cause. Guarantor acknowledges that this Guaranty will continue unchanged by any bankruptcy, reorganization or insolvency of KIM or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of KIM. Until all of KIM's obligations to Lender have been discharged in full, Guarantor waives any right of subrogation Guarantor may have against KIM. Guarantor waives Guarantor's right to enforce any remedies that Lender now has or may later have against KIM. Guarantor waives any right to participate in any security now or later held by Lender. Guarantor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor and notices of acceptance of this Guaranty, and all notices of the existence, creation, or incurring of new or additional obligations.

Guarantor shall pay to Lender all costs, including, without limitation, reasonable attorney's fees incurred in the enforcement of the obligations hereby guaranteed or the enforcement of this Guaranty.

The terms and provision of this Guaranty shall be binding upon and inure to the benefit of the respective successors and assigns of Lender and Guarantor.

Dated: January 1, 2019

Guarantor:



Kim H. Peterson

Guarantor's Address for Notice:

P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY FEDEX OR PERSONAL SERVICE)

EXHIBIT 26

Jon

LOAN AGREEMENT

THIS LOAN AGREEMENT ("this Agreement") dated **October 1, 2018**, is entered into by Kim Funding, LLC, a California limited liability company (the "Company"), and Jon P. Peterson ("Lender").

RECITALS

Whereas the Company seeks financing, the proceeds of which will be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcohol Beverage Control as required by state regulations (each an "Escrow Account");

Whereas the Company has established and will continue to establish with Chicago Title ("Escrow Holder") Escrow Accounts pursuant to agreements (each, an "Escrow Agreement") to accept the proceeds of the Loan (defined below);

Whereas Lender is willing to make a loan to the Company on the terms and conditions set forth in this Agreement;

In consideration of the mutual covenants contained herein, Lender hereby agrees to provide certain funds on the terms and conditions set forth below.

SECTION 1 – GENERAL TERMS

1.1 Loan Advance. Subject to the terms and conditions of this Agreement, Lender will make available to the Company \$300,000.00 which the Company may use to fund Escrow Accounts ("the Loan").

1.2 Use of Proceeds. The Company represents, warrants and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by ABC.

1.3 Loan Request. To request the Loan disbursement, the Company shall complete, sign and deliver to Lender a Loan Request in a form attached as Exhibit A (a "Loan Request") at least three Business Days before the proposed funding of an Escrow Account. Not later than 1:00 PM (California time) on the third Business Day following Lender's receipt of the Loan Request, Lender shall wire the funds in the amount and manner requested by the Loan Request. As used in this Agreement, "Business Day" shall mean any day other than a Saturday, Sunday or day on which banks in New York City are generally authorized or required by law to close.

1.4 Evidence of Indebtedness. The Company will make the payment specified in the provisions of this Agreement. Payments will be made in freely transferable funds and in the manner customary for payments in US dollars.

1.5 Term. Lender's obligation to fund the Loan shall cease on **September 30, 2020** ("the Termination Date"); however, if Lender elects not to require repayment of the Loan on the

Termination Date, the terms and conditions of this Agreement shall continue to apply to the Loan until the Loan is paid in full.

1.6 Payment. All unpaid principal and unpaid accrued interest shall be due on the Termination Date. As used herein, "Interest Payment Date" means the tenth Business Day after January 1, April 1, July 1, and October 1 of each year this Agreement remains in effect. Commencing on the first Interest Payment Date following the date of this Agreement and continuing on each Interest Payment Date thereafter, the Company shall pay to Lender interest accrued during the preceding three calendar months. The company reserves the right to prepay the Loan in whole or in part at any time(s) without penalty or additional charge.

1.7 Interest Rate. Except as provided below, the interest rate on the unpaid principal amount of the Loan shall be 10 percent per annum. Interest shall commence to accrue on the date Lender delivers to the Company the proceeds of the Loan following the Company's delivery to Lender of a Loan Request. Interest shall be computed based on a year consisting of 365 days and on the actual number of days elapsed. Notwithstanding the foregoing, if all or substantially all of the then pending Escrow Accounts are terminated as a consequence of or in response to a regulation, order, or enforcement action by ABC or Department of Business Oversight, then the interest rate on the Loan shall be the lesser of (1) 10 percent per annum or (2) the actual amount of points and interest paid by the License Applicants with respect to the Escrow Accounts funded with the proceeds of the Loan.

1.8 Maximum Interest. Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction shall finally determine that the Company has actually paid to Lender an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan, second, after all principal is repaid, to the payment of Lender's accrued interest, costs, expenses, professional fees, and third, the excess (if any) shall be refunded to the Company.

SECTION 2 - CONDITIONS PRECEDENT TO LOAN

Lender's obligation to make the Loan and allow the Loan proceeds to continue to be used to fund Escrow Accounts is subject to the conditions that (1) the Company shall have delivered to Lender a Loan Request and (2) the Loan proceeds shall be used solely to fund Escrow Accounts.

SECTION 3 - REPRESENTATIONS

3.1 Mutual Representations. Each party makes the representations that:

(a) If a party is not a natural person, it is duly organized and validly existing under the laws of the jurisdiction of formation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement, the Loan Documents, and any other documents that are required by this Agreement, to deliver and to perform its obligations under this

Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documents relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) No broker's or finder's fee or commission will be payable with respect to any Loan.

3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) This Agreement and all documents, certificates, and statements furnished or to be furnished to Lender by or on behalf of the Company in connection herewith do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein and therein not misleading. The Company knows no fact that materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to Lender by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

3.3 Lender Representations. Lender makes the representations that:

(a) It meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(b) It has the requisite knowledge and experience to assess the relative merits and risks of the Loans.

(c) It is aware that this Agreement and the Loans hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws, and is subject to restrictions

on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – EVENTS OF DEFAULT

4.1 **Defaults.** The occurrence of any one or more of the following events shall constitute an "Event of Default":

- (a) The Company timely fails to pay any payment due on the Loan.
- (b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement.
- (c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan.
- (d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to Lender hereunder, proves to have been false in any material respect as of the time when made or given.
- (e) The Company (i) becomes insolvent, or (ii) is unable to pay or admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors, or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets, or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent), or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enter into any formal or informal composition or arrangement with its creditors.

4.2 **Effect of an Event of Default.** If any Event of Default shall occur, then (1) at Lender's option, all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company and (2) Lender's obligations to fund additional Loans shall terminate.

SECTION 5 – EXPENSES AND REIMBURSEMENTS

5.1 **Reimbursement.** Following an Event of Default, the Company shall pay or reimburse Lender for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by Lender before and after judgment in enforcing, protecting or preserving its rights under this Agreement, the Loan, and other document required hereunder or thereunder.

5.2 **Survival.** The foregoing agreements and indemnities of this Section 5 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of any Loan made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document

required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 6 - MISCELLANEOUS

6.1 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail or overnight courier, addressed as follows:

If to Lender:

Jon P. Peterson
P.O. Box 98458
Des Moines, Washington 98198
Email: udt11frog@gmail.com

Fed Ex/UPS
1228 S. 216th St.
Des Moines, WA 98198

If to the Company:

KEM Funding, LLC
P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY REDEX)

With a Copy to:

ANI Development, LLC
3515 Hancock, Unit 200
San Diego, CA 92110

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

6.3 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

6.4 Choice of Law. This Agreement shall be governed by the laws of the State of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

6.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent

jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

6.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to Lender under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to Lender and nothing shall constitute a waiver by Lender of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

6.7 Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached.

6.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties.

6.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever; nor shall this Agreement be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, nor is either party granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.

6.10 Further Acts. Each party hereby agrees that it shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement.

6.11 Confidentiality. Lender acknowledges that certain information provided to Lender by the Company is confidential and proprietary information of the Company, if and to the extent such information either (x) is marked as confidential by at the time of disclosure, or (y) should reasonably be understood to be confidential (the "Confidential Information"). Accordingly, Lender agrees that any Confidential Information it may obtain in the course of evaluating the Company shall not be disclosed to any other person in any manner whatsoever, in whole or in part, without the prior written consent of the Company, except that Lender may disclose any such information: (a) to its own general partner, officers, employees, accountants, counsel and other professional advisors and to its affiliates if Lender in its sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with a Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over

Lender, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Lender's counsel, (e) to comply with any legal requirement or law applicable to Lender, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement, (g) to any participant or assignee of Lender or any prospective participant or assignee, provided, that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 6.11 prior to disclosure; or (h) otherwise with the prior consent of the Company; provided, that any disclosure made in violation of this Agreement shall not affect the obligations of the Company or any of its Affiliates under this Agreement.

6.12 Noncompete. During the term of this Agreement and for a period of five years following expiration or termination of this Agreement, Lender and Lender's affiliates shall not within California directly or indirectly engage in the business of making loans to persons seeking approval from ABC for transfers of licenses issued by ABC. The prohibition in the preceding sentence includes any and all activities by Lender or Lender's affiliates as an agent, partner, member, shareholder, owner, consultant, or lender to any business engaged in providing loans to persons seeking ABC's approval for transfers of licenses issued by ABC.

[THE REST OF THIS PAGE IS INTENTIONALLY BLANK]

SIGNATURE PAGE TO LOAN AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers and representatives as of the day and year first written above.

Kim Funding, LLC

By


Kim H. Peterson, Manager


Jon P. Peterson

Exhibit A

LOAN REQUEST

To: Jon P. Peterson
P.O. Box 98458
Des Moines, Washington 98198
Email: UTD11Frog@gmail.com

Kim Funding, LLC ("Borrower"), hereby requests from Jon P. Peterson ("Lender") an additional loan advance in the amount of \$_____ on _____, 2018, pursuant to the Loan Agreement between Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please wire funds to the Escrow Account as follows:

Escrow Agent: Chicago Title Company
Bank Name: City National Bank
Bank Address: 555 South Flower Street, 17th Floor, Los Angeles, California 90071
ABA Number: 122016066
Account Number: 555337205
Account Name: Chicago Title Company
Reference: Escrow/Title Order No. 00083790-004-DD (for escrows opened in 2018)
Escrow Office Name: Della Ducharme Unit

Borrower represents that the conditions precedent to the Loan set forth in the Agreement are satisfied.

Executed as of _____, 2018

Kim Funding, LLC,

By _____
Kim H. Peterson, Manager

Guaranty

As a material inducement to and in consideration of Jon P. Peterson ("Lender") entering into that certain Loan Agreement dated **October 1, 2018 (the Loan Agreement)**, the undersigned ("**Guarantor**") unconditionally guaranties the full performance of each and all of the terms, covenants, and conditions of the Loan Agreement to be performed by KIM Funding, LLC, a California limited liability company ("**KIM**"), including payment of all principal, interest, and other charges accruing thereunder.

Guarantor waives the benefit of any statute of limitations affecting the Guarantor's liability under this Guaranty.

The provisions of the Loan Agreement may be changed by agreement between Lender and KIM at any time or by course of conduct without the consent of or notice to Guarantor, in which event this Guaranty shall guaranty the performance of the Loan Agreement, as amended.

Lender may without notice assign this Guaranty in whole or in part. No assignment or transfer of the Loan Agreement or any interest therein shall operate to extinguish or diminish the liability of Guarantor hereunder.

This Guaranty shall not be affected by Lender's failure or delay to enforce any of Lender's rights.

If KIM defaults under the Loan Agreement, Lender may proceed immediately against Guarantor or KIM or both, or Lender may enforce against Guarantor or KIM or both any rights that Lender has under the Loan Agreement or pursuant to any applicable laws. If the Loan Agreement terminates and Lender has any rights that Lender can enforce against KIM after termination, Lender shall be entitled to enforce those rights against Guarantor without giving previous notice to KIM or Guarantor and without making any demand on either of them.

Guarantor waives the right to require Lender to (1) proceed against KIM, (2) proceed against or exhaust any security that Lender holds from KIM, or (3) pursue any other remedy in Lender's power. Guarantor waives any defense by reason of any disability of KIM and any defense based on the termination of KIM's liability from any cause. Guarantor acknowledges that this Guaranty will continue unchanged by any bankruptcy, reorganization or insolvency of KIM or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of KIM. Until all of KIM's obligations to Lender have been discharged in full, Guarantor waives any right of subrogation Guarantor may have against KIM. Guarantor waives Guarantor's right to enforce any remedies that Lender now has or may later have against KIM. Guarantor waives any right to participate in any security now or later held by Lender. Guarantor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor and notices of acceptance of this Guaranty, and all notices of the existence, creation, or incurring of new or additional obligations.

Guarantor shall pay to Lender all costs, including, without limitation, reasonable attorney's fees incurred in the enforcement of the obligations hereby guarantied or the enforcement of this Guaranty.

The terms and provision of this Guaranty shall be binding upon and inure to the benefit of the respective successors and assigns of Lender and Guarantor.

Dated: October 1, 2018

Guarantor:



Kim H. Peterson

Guarantor's Address for Notice:

P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY FEDEX OR PERSONAL SERVICE)

Gmail - Page 8



Kim Peterson <kimharoldpeterson@gmail.com>

Page 8


2 messages

JON PETERSON <udt11frog@gmail.com>

Wed, Nov 7, 2018 at 11:55 AM

To: Kim Peterson <KimHaroldPeterson@gmail.com>

Executed page 8 attached...please send page 5 with corrections at earliest convenience.
Thanks,
Jon

 IMG_20181107_0001_NEW Sig Page.pdf
150K

Kim Peterson <kimharoldpeterson@gmail.com>

Wed, Nov 7, 2018 at 12:16 PM

Reply-To: KimHaroldPeterson@gmail.com

To: Jon Peterson <udt11frog@gmail.com>

Attached in the SCAN is the signature pages for the Agreement and Guarantee and a revised page 5. KIM
[Quoted text hidden]

--

Kim H. Peterson

Box 676237

Rancho Santa Fe, CA 92067

Office: (858) 481-3539

Fax: (858) 481-3943

E-Mail: KimHaroldPeterson@gmail.com

 Jon.pdf
602K

Gmail - Kim Funding



Kim Peterson <kimharoldpeterson@gmail.com>

Kim Funding

1 message

Kim Peterson <kimharoldpeterson@gmail.com>

Tue, Nov 6, 2018 at 5:35 PM

Reply-To: KimHaroldPeterson@gmail.com

To: Jon Peterson <udt11frog@gmail.com>

Attached is the new Loan Agreement dated October 1, 2018. Going forward, you would receive quarterly payments based on the \$300,000, i.e. \$7,500 each quarter. As to the existing Escrows, we have three:

\$50,000 paid to 11/27/17

\$50,000 paid to 6/12/18.

\$200,000 paid to 6/18/18.

The interest on the above from those dates to September 30, 2018 is \$11,369.85.

Assuming the Loan Agreement is OK, you need to sign page 8 and SCAN that to me. Upon receipt, I will sign page 8 and the Guarantee and send a check or checks to IRA. Please confirm that you agree with my math.
KIM

Kim H. Peterson

Box 676237

Rancho Santa Fe, CA 92067

Office: (858) 481-3539

Fax: (858) 481-3943

E-Mail: KimHaroldPeterson@gmail.com

Jon.pdf
3994K

EXHIBIT 27

HAV

LOAN AGREEMENT

THIS LOAN AGREEMENT ("this Agreement") dated June 1, 2019, is entered into by Kim Funding, LLC, a California limited liability company (the "Company"), and HAV Global Macro Fund, L.P., a Delaware limited partnership ("Lender").

RECITALS

Whereas the Company seeks financing, the proceeds of which will be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcohol Beverage Control as required by state regulations (each an "Escrow Account");

Whereas the Company has established and will continue to establish with Chicago Title ("Escrow Holder") Escrow Accounts pursuant to agreements (each, an "Escrow Agreement") to accept the proceeds of the Loan (defined below);

Whereas Lender is willing to make a loan to the Company on the terms and conditions set forth in this Agreement.

In consideration of the mutual covenants contained herein, Lender hereby agrees to provide \$6,000,000.00 funds on the terms and conditions set forth below.

SECTION 1 - GENERAL TERMS

1.1 Loan Advance. Subject to the terms and conditions of this Agreement, Lender will make available to the Company \$6,000,000.00 which the Company may use to fund Escrow Accounts ("the Loan").

1.2 Use of Proceeds. The Company represents, warrants and agrees that the proceeds of the Loan will be used solely to fund the Escrow Accounts of persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by ABC.

1.3 Loan Request. To request the Loan disbursement, the Company shall complete, sign and deliver to Lender a Loan Request in a form attached as Exhibit A (a "Loan Request") at least three Business Days before the proposed funding of an Escrow Account. Not later than 1:00 PM (California time) on the third Business Day following Lender's receipt of the Loan Request, Lender shall wire the funds in the amount and manner requested by the Loan Request. As used in this Agreement, "Business Day" shall mean any day other than a Saturday, Sunday or day on which banks in New York City are generally authorized or required by law to close.

1.4 Evidence of Indebtedness. The Company will make the payment specified in the provisions of this Agreement. Payments will be made in freely transferable funds and in the manner customary for payments in US dollars ("Cash").

1.5 Term. If the Company has not delivered to Lender a Loan Request within three business days following the date of this Agreement, then Lender's obligation to fund the Loan shall cease.

1.5 **Term.** If the Company has not delivered to Lender a Loan Request within three business days following the date of this Agreement, then Lender's obligation to fund the Loan shall cease.

1.6 **Payment.** All unpaid principal and unpaid accrued interest shall be due on the date that is 105 days after the Interest Commencement Date (defined below). The Company reserves the right to prepay the Loan in whole or in part at any time(s); however, if the Company prepays the Loan following the Interest Commencement Date, the interest owed by the Company on the prepaid amount shall be equal to the interest that would have accrued on the prepaid amount if the prepaid amount were paid on the date that is 90 days following the Interest Commencement Date.

1.7 **Interest Rate.** The interest rate on the unpaid principal amount of the Loan shall be 13 percent per annum. Interest shall commence to accrue on the date ("the Interest Commencement Date") Lender delivers to the Company the proceeds of the Loan following the Company's delivery to Lender of a Loan Request. Interest shall be computed based on a year consisting of 365 days and on the actual number of days elapsed.

1.8 **Maximum Interest.** Notwithstanding any provision in this Agreement, the parties intend not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction shall finally determine that the Company has actually paid to Lender an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan, second, after all principal is repaid, to the payment of Lender's accrued interest, costs, expenses, professional fees, and third, the excess (if any) shall be refunded to the Company.

SECTION 2 - CONDITIONS PRECEDENT TO LOAN

Lender's obligation to make the Loan and allow the Loan proceeds to continue to be used to fund Escrow Accounts is subject to the conditions that (1) the Company shall have delivered to Lender a Loan Request and (2) the Loan proceeds shall be used solely to fund Escrow Accounts.

SECTION 3 - REPRESENTATIONS

3.1 **Mutual Representations.** Each party makes the representations that:

(a) If a party is not a natural person, it is duly organized and validly existing under the laws of the jurisdiction of formation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement, the Loan Documents, and any other documents that are required by this Agreement, to deliver and to perform its obligations under this Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or

other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documents relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) No broker's or finder's fee or commission will be payable with respect to any Loan.

3.2 Company Representations. The Company makes the representations that:

(a) It is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(b) This Agreement and all documents, certificates, and statements furnished or to be furnished to Lender by or on behalf of the Company in connection herewith do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein and therein not misleading. The Company knows no fact that materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to Lender by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

3.3 Lender Representations. Lender makes the representations that:

(a) It meets the definition of an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(b) It has the requisite knowledge and experience to assess the relative merits and risks of the Loans.

(c) It is aware that this Agreement and the Loans hereunder have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being entered into in reliance on exemptions from registration of such securities laws, and is subject to restrictions on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – EVENTS OF DEFAULT

4.1 Defaults. The occurrence of any one or more of the following events shall constitute an "Event of Default":

- (a) The Company timely fails to pay any payment due on the Loan.
- (b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement.
- (c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan.
- (d) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to Lender hereunder, proves to have been false in any material respect as of the time when made or given.
- (e) The Company (i) becomes insolvent, or (ii) is unable to pay or admits in writing its inability to pay its debts as they mature, or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, or (iv) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors, or (vi) applies to a court for the appointment of a custodian or receiver for any of its assets, or (vii) has a custodian or receiver appointed for any of its assets (with or without its consent), or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enter into any formal or informal composition or arrangement with its creditors.

4.2 Effect of an Event of Default. If any Event of Default shall occur, then (1) at Lender's option, all indebtedness immediately will become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company and (2) Lender's obligations to fund additional Loans shall terminate.

SECTION 5 – EXPENSES AND REIMBURSEMENTS

5.1 Reimbursement. Following an Event of Default, the Company shall pay or reimburse Lender for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by Lender before and after judgment in enforcing, protecting or preserving its rights under this Agreement, the Loan, and other document required hereunder or thereunder.

5.2 Survival. The foregoing agreements and indemnities of this Section 5 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of any Loan made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document required hereunder or thereunder, or the content or accuracy of any representation or warranty made under this Agreement or any other document required hereunder or thereunder.

If to Lender:

Horacio A. Valeiras
Frontier Global Partners, LLC
7817 Invanhoe Ave, Suite 200
La Jolla, California 92037
Email: Horacio.Valeiras@frontierglobalpartners.com

If to the Company:

KIM Funding, LLC
P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY FEDEX)

With a Copy to:

ANI Development, LLC
3515 Hancock, Unit 200
San Diego, CA 92110

P. Sigmund Luther
5333 Mission Center Road, Suite 360
San Diego, California 92108

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

6.3 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

6.4 Choice of Law. This Agreement shall be governed by the laws of the State of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein.

6.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

6.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

6.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to Lender under this Agreement is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to Lender and nothing shall constitute a waiver by Lender of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

6.7 Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached.

6.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties.

6.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto, nor is either party granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.

6.10 Further Acts. Each party hereby agrees that it shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement.

6.11 Confidentiality. Lender acknowledges that certain information provided to Lender by the Company is confidential and proprietary information of the Company, if and to the extent such information either (x) is marked as confidential by at the time of disclosure, or (y) should reasonably be understood to be confidential (the "Confidential Information"). Accordingly, Lender agrees that any Confidential Information it may obtain in the course of evaluating the Company shall not be disclosed to any other person in any manner whatsoever, in whole or in part, without the prior written consent of the Company, except that Lender may disclose any such information: (a) to its own general partner, officers, employees, accountants, counsel and other professional advisors and to its affiliates if Lender in its sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with a Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such

information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over Lender, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Lender's counsel, (e) to comply with any legal requirement or law applicable to Lender, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement, (g) to any participant or assignee of Lender or any prospective participant or assignee, provided, that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 6.11 prior to disclosure; or (h) otherwise with the prior consent of the Company, provided, that any disclosure made in violation of this Agreement shall not affect the obligations of the Company or any of its Affiliates under this Agreement.

6.12 Noncompete. During the term of this Agreement and for a period of five years following expiration or termination of this Agreement, Lender and Lender's affiliates shall not within California directly or indirectly engage in the business of making loans to persons seeking approval from ABC for transfers of licenses issued by ABC. The prohibition in the preceding sentence includes any and all activities by Lender or Lender's affiliates as an agent, partner, member, shareholder, owner, consultant, or lender to any business engaged in providing loans to persons seeking ABC's approval for transfers of licenses issued by ABC.

[THE REST OF THIS PAGE IS INTENTIONALLY BLANK]

SIGNATURE PAGE TO LOAN AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers and representatives as of the day and year first written above.

Kim Funding, LLC

By 

Kim H. Peterson, Manager

Millennium Trust Company, LLC Custodian FBO
HAV Global Macro Fund, L.P.
a Delaware limited partnership

By Frontier Global Partners, LLC,
Its General Partner

By 

Horacio A. Valeiras, Managing Member

Exhibit A

LOAN REQUEST

To: Millennium Trust Company, LLC
Custodian FBO HAV Global Macro Fund, L.P.
C/O Horacio A. Valeiras
Frontier Global Partners, LLC
7776 Inverhoe Avenue, Suite 150
La Jolla, California 92037

Kim Funding, LLC ("Borrower"), hereby requests from Millennium Trust Company, LLC Custodian FBO HAV Global Macro Fund, L.P. ("Lender") a loan advance in the amount of \$ 6,000,000 on 8/1, 2019, pursuant to the Loan Agreement between Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please wire funds to the Escrow Account as follows:

Escrow Agent: Chicago Title Company
Bank Name: City National Bank
Bank Address: 555 South Flower Street, 17th Floor, Los Angeles, California 90071
ABA Number: 122016066
Account Number: 555337205
Account Name: Chicago Title Company
Reference: Escrow/Title Order No. 00102122-004-DD (for escrows opened in 2019)
Escrow Office Name: Della Ducharme Unit

Borrower represents that the conditions precedent to the Loan set forth in the Agreement are satisfied.

Executed as of 8/1, 2019

Kim Funding, LLC,

By [Signature]
Kim L. Peterson, Manager

Guaranty

As a material inducement to and in consideration of **Millennium Trust Company, LLC Custodian FBO HAV Global Macro Fund, L.P. ("Lender")** entering into that certain Loan Agreement dated **June 1, 2019 ("the Loan Agreement")**, the undersigned (collectively "**Guarantors**") unconditionally guaranty the full performance of each and all of the terms, covenants, and conditions of the Loan Agreement to be performed by **KIM Funding, LLC**, a California limited liability company ("**KIM**"), including payment of all principal, interest, and other charges accruing thereunder.

Guarantors waive the benefit of any statute of limitations affecting the Guarantors' liability under this Guaranty.

The provisions of the Loan Agreement may be changed by agreement between Lender and KIM at any time or by course of conduct without the consent of or notice to Guarantors, in which event this Guaranty shall guaranty the performance of the Loan Agreement, as amended.

Lender may without notice assign this Guaranty in whole or in part. No assignment or transfer of the Loan Agreement or any interest therein shall operate to extinguish or diminish the liability of Guarantors hereunder.

This Guaranty shall not be affected by Lender's failure or delay to enforce any of Lender's rights.

If KIM defaults under the Loan Agreement, Lender may proceed immediately against Guarantors or KIM or both, or Lender may enforce against Guarantors or KIM or both any rights that Lender has under the Loan Agreement or pursuant to any applicable laws. If the Loan Agreement terminates and Lender has any rights that Lender can enforce against KIM after termination, Lender shall be entitled to enforce those rights against Guarantors without giving previous notice to KIM or Guarantors and without making any demand on either of them.

Guarantors waive the right to require Lender to (1) proceed against KIM, (2) proceed against or exhaust any security that Lender holds from KIM, or (3) pursue any other remedy in Lender's power. Guarantors waive any defense by reason of any disability of KIM and any defense based on the termination of KIM's liability from any cause. Guarantors acknowledges that this Guaranty will continue unchanged by any bankruptcy, reorganization or insolvency of KIM or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of KIM. Until all of KIM's obligations to Lender have been discharged in full, Guarantors waive any right of subrogation Guarantors may have against KIM. Guarantors waive Guarantors' right to enforce any remedies that Lender now has or may later have against KIM. Guarantors waive any right to participate in any security now or later held by Lender. Guarantors waive all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor and notices of acceptance of this Guaranty, and all notices of the existence, creation, or incurring of new or additional obligations.

Guarantors shall pay to Lender all costs, including, without limitation, reasonable attorney's fees incurred in the enforcement of the obligations hereby guaranteed or the enforcement of this Guaranty.


The terms and provision of this Guaranty shall be binding upon and inure to the benefit of the respective successors and assigns of Lender and Guarantors.

Dated: June 1, 2019

Guarantors:



Kim H. Peterson, an individual



Kim H. Peterson, Trustee of the
Peterson Family Trust dated April 14, 1992

Guarantors' Address for Notice:

P.O. Box 676237
Rancho Santa Fe, California 92067
(DELIVERY BY MAIL)

12626 High Bluff Drive, Suite 300
San Diego, California 92130
(DELIVERY BY FEDEX OR PERSONAL SERVICE)

EXHIBIT 28

BUSINESS LOAN AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$5,000,000.00	09-09-2015	03-10-2017	52246				

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
660 West C Street, Suite 110
San Diego, CA 92101

THIS BUSINESS LOAN AGREEMENT dated September 9, 2015, is made and executed between ANI License Fund, LLC, a California limited liability company ("Borrower") and SAN DIEGO PRIVATE BANK ("Lender") on the following terms and conditions. Borrower has applied to Lender for a commercial loan or loans ("Loan or Loans") or other financial accommodations. Borrower understands and agrees that: (A) in granting, renewing, or extending any Loan, Lender is relying upon Borrower's representations, warranties, and agreements as set forth in this Agreement; (B) the granting, renewing, or extending of any Loan by Lender at all times shall be subject to Lender's sole judgment and discretion; and (C) all such Loans shall be and remain subject to the terms and conditions of this Agreement.

TERM. This Agreement shall be effective as of September 9, 2015, and shall continue in full force and effect until such time as all of Borrower's Loans in favor of Lender have been paid in full, including principal, interest, costs, expenses, attorneys' fees, and other fees and charges, or until such time as the parties may agree in writing to terminate this Agreement.

BORROWER'S BUSINESS. Loan proceeds and Advances will be solely for funding the Escrow Accounts of persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by the ABC.

LOAN ADVANCES. Borrower may request an Advance by submitting to Lender a completed Loan Request in the form attached as Exhibit A at least three (3) days prior to the proposed funding. Each Advance shall be funded to Chicago Title Company pursuant to the form of Escrow Agreement attached hereto as Exhibit B. In the alternative, an Advance may be funded to a Borrower account with Lender to be funded to Chicago Title Company as provided in this Agreement. The date on which each Advance shall be repaid (the "Due Date") shall be three Business Days following the earliest of (1) the date License Applicant delivers to Escrow Holder the License Applicant's funds to replace the principal amount of the Advance, (2) the date the License Applicant's license transfer escrow is terminated because the ABC disapproved the License Applicant's transfer application, or (3) the date that is 240 days after the Loan Date for such Advance. Borrower shall pay to Lender for each Advance Lender's standard wire transfer fees.

CONDITIONS PRECEDENT TO EACH ADVANCE. Lender's obligation to make the initial Advance and each subsequent Advance under this Agreement shall be subject to the fulfillment to Lender's satisfaction of all of the conditions set forth in this Agreement and in the Related Documents.

Loan Documents. Borrower shall provide to Lender the following documents for the Loan: (1) the Note; (2) Security Agreements granting to Lender security interests in the Collateral; (3) financing statements and all other documents perfecting Lender's Security Interests; (4) evidence of insurance as required below; (5) guarantees; (6) together with all such Related Documents as Lender may require for the Loan; all in form and substance satisfactory to Lender and Lender's counsel.

Borrower's Authorization. Borrower shall have provided in form and substance satisfactory to Lender properly certified resolutions, duly authorizing the execution and delivery of this Agreement, the Note and the Related Documents. In addition, Borrower shall have provided such other resolutions, authorizations, documents and instruments as Lender or its counsel may require.

Payment of Fees and Expenses. Borrower shall have paid to Lender all fees, charges, and other expenses which are then due and payable as specified in this Agreement or any Related Document.

Representations and Warranties. The representations and warranties set forth in this Agreement, in the Related Documents, and in any document or certificate delivered to Lender under this Agreement are true and correct.

No Event of Default. There shall not exist at the time of any Advance a condition which would constitute an Event of Default under this Agreement or under any Related Document.

REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants to Lender, as of the date of this Agreement, as of the date of each disbursement of loan proceeds, as of the date of any renewal, extension or modification of any Loan, and at all times any indebtedness exists:

Organization. Borrower is a limited liability company which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California. Borrower is duly authorized to transact business in the State of California and all other states in which Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which Borrower is doing business. Specifically, Borrower is, and at all times shall be, duly qualified as a foreign limited liability company in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. Borrower maintains its principal office at 4439 Lamont Street, San Diego, CA 92109. Unless Borrower has designated otherwise in writing, the principal office is the office at which Borrower keeps its books and records including its records concerning the Collateral. Borrower will notify Lender prior to any change in the location of Borrower's state of organization or any change in Borrower's name. Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to Borrower and Borrower's business activities.

Assumed Business Names. Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by Borrower. Excluding the name of Borrower, the following is a complete list of all assumed business names under which Borrower does business: None.

Authorization. Borrower's execution, delivery, and performance of this Agreement and all the Related Documents have been duly authorized by all necessary action by Borrower and do not conflict with, result in a violation of, or constitute a default under (1) any provision of (a) Borrower's articles of organization or membership agreements, or (b) any agreement or other instrument binding upon Borrower or (2) any law, governmental regulation, court decree, or order applicable to Borrower or to Borrower's properties.

Financial Information. Each of Borrower's financial statements supplied to Lender truly and completely disclosed Borrower's financial condition as of the date of the statement, and there has been no material adverse change in Borrower's financial condition subsequent to the date of the most recent financial statement supplied to Lender. Borrower has no material contingent obligations except as disclosed in such financial statements.

Legal Effect. This Agreement constitutes, and any instrument or agreement Borrower is required to give under this Agreement when delivered will constitute legal, valid, and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms.

Properties. Except as contemplated by this Agreement or as previously disclosed in Borrower's financial statements or in writing to Lender and as accepted by Lender, and except for property tax liens for taxes not presently due and payable, Borrower owns and has good title to all of Borrower's properties free and clear of all Security Interests, and has not executed any security documents or financing statements relating to such properties. All of Borrower's properties are titled in Borrower's legal name, and Borrower has not used or filed a financing statement under any other name for at least the last five (5) years.

Litigation and Claims. No litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Borrower is pending or threatened, and no other event has occurred which may materially adversely affect Borrower's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by Lender in writing.

Taxes. To the best of Borrower's knowledge, all of Borrower's tax returns and reports that are or were required to be filed, have been filed, and all taxes, assessments and other governmental charges have been paid in full, except those presently being or to be contested by Borrower in good faith in the ordinary course of business and for which adequate reserves have been provided.

Lien Priority. Unless otherwise previously disclosed to Lender in writing, Borrower has not entered into or granted any Security Agreements, or permitted the filing or attachment of any Security Interests on or affecting any of the Collateral directly or indirectly securing repayment of Borrower's Loan and Note, that would be prior or that may in any way be superior to Lender's Security Interests and rights in and to such Collateral.

Binding Effect. This Agreement, the Note, all Security Agreements (if any), and all Related Documents are binding upon the signers thereof, as well as upon their successors, representatives and assigns, and are legally enforceable in accordance with their respective terms.

FINANCIAL STATEMENT CERTIFICATION. The undersigned hereby certifies to San Diego Private Bank ("Lender") that all financial information ("Information") submitted to Lender now and at all times during the term of this loan does, and will, fairly and accurately represent the financial condition of the undersigned, all Borrowers, and Guarantors. Financial Information includes, but is not limited to, all Business Financial Statements (including Interim and Year-End financial statements that are company prepared and/or CPA prepared), Business Income Tax Returns, Borrowing Base Certificates, Accounts Receivable and Accounts Payable agings, Personal Financial Statements, third party verification statements, and Personal Income Tax Returns. The undersigned understands that Lender will rely on all Information whenever provided, and that such Information is a material inducement to Lender to make, to continue to make, or otherwise extend credit accommodations to the undersigned. The undersigned covenants and agrees to notify Lender of any adverse material changes in her/his/its financial condition in the future. The undersigned further understands and acknowledges that there are criminal penalties for giving false financial information to federal insured financial institutions.

AFFIRMATIVE COVENANTS. Borrower covenants and agrees with Lender that, so long as this Agreement remains in effect, Borrower will:

Notices of Claims and Litigation. Promptly inform Lender in writing of (1) all material adverse changes in Borrower's financial condition, and (2) all existing and all threatened litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower or any Guarantor which could materially affect the financial condition of Borrower or the financial condition of any Guarantor.

Financial Records. Maintain its books and records in accordance with GAAP, applied on a consistent basis, and permit Lender to examine and audit Borrower's books and records at all reasonable times.

Financial Statements. Furnish Lender with such financial statements and other related information at such frequencies and in such detail as Lender may reasonably request.

Additional Information. Furnish such additional information and statements, as Lender may request from time to time.

Guarantees. Prior to disbursement of any Loan proceeds, furnish executed unlimited guarantees of the Loans in favor of Lender, executed by the guarantors named below, on Lender's forms, and in the amounts and under the conditions set forth in those guarantees.

Names of Guarantors

Kim H. Peterson

Peterson Family Trust dated April 14, 1992

Gina Champion-Cain

The Gina Champion-Cain Revocable Trust Agreement dated June 26, 2012

Other Agreements. Comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party and notify Lender immediately in writing of any default in connection with any other such agreements.

Loan Proceeds. Loan proceeds and Advances will be solely for funding the Escrow Accounts of persons or entities (each a "License Applicant")

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seeking authorization from the ABC to acquire by transfer a license issued by the ABC.

Taxes, Charges and Liens. Pay and discharge when due all of its indebtedness and obligations, including without limitation all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon Borrower or its properties, income, or profits, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of Borrower's properties, income, or profits. Provided however, Borrower will not be required to pay and discharge any such assessment, tax, charge, levy, lien or claim so long as (1) the legality of the same shall be contested in good faith by appropriate proceedings, and (2) Borrower shall have established on Borrower's books adequate reserves with respect to such contested assessment, tax, charge, levy, lien, or claim in accordance with GAAP.

Performance. Perform and comply, in a timely manner, with all terms, conditions, and provisions set forth in this Agreement, in the Related Documents, and in all other instruments and agreements between Borrower and Lender. Borrower shall notify Lender immediately in writing of any default in connection with any agreement.

Compliance with Governmental Requirements. Comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the conduct of Borrower's properties, businesses and operations, and to the use or occupancy of the Collateral, including without limitation, the Americans With Disabilities Act. Borrower may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Borrower has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Collateral are not jeopardized. Lender may require Borrower to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Inspection. Permit employees or agents of Lender at any reasonable time to inspect any and all Collateral for the Loan or Loans and Borrower's other properties and to examine or audit Borrower's books, accounts, and records and to make copies and memoranda of Borrower's books, accounts, and records. If Borrower now or at any time hereafter maintains any records (including without limitation computer generated records and computer software programs for the generation of such records) in the possession of a third party, Borrower, upon request of Lender, shall notify such party to permit Lender free access to such records at all reasonable times and to provide Lender with copies of any records it may request, all at Borrower's expense.

Additional Assurances. Make, execute and deliver to Lender such promissory notes, mortgages, deeds of trust, security agreements, assignments, financing statements, instruments, documents and other agreements as Lender or its attorneys may reasonably request to evidence and secure the Loans and to perfect all Security Interests.

BORROWER'S FINANCIAL REQUIREMENTS.

ANNUAL STATEMENTS. As requested by Lender, Borrower shall provide to Lender, as soon as available, annually, a company prepared consolidated balance sheet and income statement for the preceding calendar year end, in form satisfactory to Lender. Statements may be due more often if requested by Lender.

TAX RETURNS. Borrower shall provide to Lender within 30 days of the required filed date, copies of Federal and other governmental tax returns for the preceding calendar year. If extensions are filed, copies of such extensions are to be provided immediately upon filing.

If requested by Lender, Borrower shall provide other items of financial nature as deemed necessary.

GUARANTOR'S FINANCIAL REQUIREMENTS.

PERSONAL FINANCIAL STATEMENTS. As requested by Lender, Borrower shall cause each Guarantor to provide to Lender a self prepared personal financial statement to include a schedule of real estate owned, in form satisfactory to Lender.

TAX RETURNS. Borrower shall cause Guarantor to provide to Lender within 30 days of the required filed date, copies of Federal and other governmental tax returns for the preceding calendar year. If extensions are filed, copies of such extensions are to be provided immediately upon filing.

If requested by Lender, Borrower shall cause Guarantor to provide other items of financial nature as deemed necessary.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Borrower fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Borrower's failure to discharge or pay when due any amounts Borrower is required to discharge or pay under this Agreement or any Related Documents, Lender on Borrower's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on any Collateral and paying all costs for insuring, maintaining and preserving any Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Borrower. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either: (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity.

NEGATIVE COVENANTS. Borrower covenants and agrees with Lender that while this Agreement is in effect, Borrower shall not, without the prior written consent of Lender:

Indebtedness and Liens. (1) Except for trade debt incurred in the normal course of business and indebtedness to Lender contemplated by this Agreement, create, incur or assume indebtedness for borrowed money, including capital leases; (2) sell, transfer, mortgage, assign, pledge, lease, grant a security interest in, or encumber any of Borrower's assets (except as allowed as Permitted Liens); or (3) sell with recourse any of Borrower's accounts, except to Lender.

Continuity of Operations. (1) Engage in any business activities substantially different than those in which Borrower is presently engaged; (2) cease operations, liquidate, merge, transfer, acquire or consolidate with any other entity, change its name, dissolve or transfer or sell Collateral out of the ordinary course of business; or (3) make any distribution with respect to any capital account, whether by reduction of capital or otherwise.

Loans, Acquisitions and Guaranties. (1) Loan, invest in or advance money or assets to any other person, enterprise or entity; (2) purchase, create or acquire any interest in any other enterprise or entity; or (3) incur any obligation as surety or guarantor other than in the ordinary course

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of business.

Agreements. Enter into any agreement containing any provisions which would be violated or breached by the performance of Borrower's obligations under this Agreement or in connection herewith.

CESSATION OF ADVANCES. If Lender has made any commitment to make any Loan to Borrower, whether under this Agreement or under any other agreement, Lender shall have no obligation to make Loan Advances or to disburse Loan proceeds if: (A) Borrower or any Guarantor is in default under the terms of this Agreement or any of the Related Documents or any other agreement that Borrower or any Guarantor has with Lender; (B) Borrower or any Guarantor dies, becomes incompetent or becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged a bankrupt; (C) there occurs a material adverse change in Borrower's financial condition, in the financial condition of any Guarantor, or in the value of any Collateral securing any Loan; or (D) any Guarantor seeks, claims or otherwise attempts to limit, modify or revoke such Guarantor's guaranty of the Loan or any other loan with Lender.

DEFAULT. Each of the following shall constitute an event of default "Event of Default" under this Agreement:

Payment Default. Borrower fails to make any payment when due under the Loan.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or any Grantor's property or Borrower's or any Grantor's ability to repay the Loans or perform their respective obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Foreclosure Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the Loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Loan is impaired.

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If any default, other than a default on Indebtedness, is curable and if Borrower or Grantor, as the case may be, has not been given a notice of a similar default within the preceding twelve (12) months, it may be cured if Borrower or Grantor, as the case may be, after Lender sends written notice to Borrower or Grantor, as the case may be, demanding cure of such default: (1) cure the default within ten (10) days; or (2) if the cure requires more than ten (10) days, immediately initiate steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continue and complete all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

INTEREST AFTER DEFAULT-FINANCIAL INFORMATION. If Borrower, Guarantor or any other party fails to provide financial statements, tax returns, operating statements, or other information required from Borrower, Guarantor or any other party as required under the Promissory Note, the Business Loan Agreement or any other agreement/document executed in connection with the loan, Lender shall at Lender's sole discretion, if permitted under applicable law, immediately increase the interest rate by adding an additional five (5.000) percentage point margin ("Default Rate Margin"). The Default Rate Margin shall also apply to each succeeding interest rate change that would have applied had there been no default.

EFFECT OF AN EVENT OF DEFAULT. If any Event of Default shall occur, except where otherwise provided in this Agreement or the Related Documents, all commitments and obligations of Lender under this Agreement or the Related Documents or any other agreement immediately will terminate (including any obligation to make further Loan Advances or disbursements), and, at Lender's option, all Indebtedness immediately will become due and payable; all without notice of any kind to Borrower, except that in the case of an Event of Default of the type described in the "Insolvency" subsection above, such acceleration shall be automatic and not optional. In addition, Lender shall have all the rights and remedies provided in the Related Documents or available at law, in equity, or otherwise. Except as may be prohibited by applicable law, all of Lender's rights and remedies shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower or of any Grantor shall not affect Lender's right to declare a default and to exercise its rights and remedies.

AUDITS AND REVIEWS. Borrower authorizes Lender, or its agent, to conduct accounts receivable audits, financial audits, appraisals, inspections and audits at Borrower's place of business as Lender deems necessary. Borrower agrees to pay the cost of such audits and appraisals.

BANKING RELATIONSHIP. Borrower shall maintain its primary banking relationship with Lender. This means the majority of deposit accounts, balances and loans.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

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Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Borrower agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Consent to Loan Participation. Borrower agrees and consents to Lender's sale or transfer, whether now or later, of one or more participation interests in the Loan to one or more purchasers, whether related or unrelated to Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to the Loan, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interests in the Loan and will have all the rights granted under the participation agreement or agreements governing the sale of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participation interest and unconditionally agrees that either Lender or such purchaser may enforce Borrower's obligation under the Loan irrespective of the failure or insolvency of any holder of any interest in the Loan. Borrower further agrees that the purchaser of any such participation interests may enforce its interests irrespective of any personal claims or defenses that Borrower may have against Lender.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of California.

Choice of Venue. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of San Diego County, State of California.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Borrower, or between Lender and any Grantor, shall constitute a waiver of any of Lender's rights or of any of Borrower's or any Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address. Unless otherwise provided or required by law, if there is more than one Borrower, any notice given by Lender to any Borrower is deemed to be notice given to all Borrowers.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Subsidiaries and Affiliates of Borrower. To the extent the context of any provisions of this Agreement makes it appropriate, including without limitation any representation, warranty or covenant, the word "Borrower" as used in this Agreement shall include all of Borrower's subsidiaries and affiliates. Notwithstanding the foregoing however, under no circumstances shall this Agreement be construed to require Lender to make any Loan or other financial accommodation to any of Borrower's subsidiaries or affiliates.

Successors and Assigns. All covenants and agreements by or on behalf of Borrower contained in this Agreement or any Related Documents shall bind Borrower's successors and assigns and shall inure to the benefit of Lender and its successors and assigns. Borrower shall not, however, have the right to assign Borrower's rights under this Agreement or any interest therein, without the prior written consent of Lender.

Survival of Representations and Warranties. Borrower understands and agrees that in making the Loan, Lender is relying on all representations, warranties, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender under this Agreement or the Related Documents. Borrower further agrees that regardless of any investigation made by Lender, all such representations, warranties and covenants will survive the making of the Loan and delivery to Lender of the Related Documents, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's indebtedness shall be paid in full, or until this Agreement shall be terminated in the manner provided above, whichever is the last to occur.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this

SDPB-147.BLA.589354

Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. Accounting words and terms not otherwise defined in this Agreement shall have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date of this Agreement:

Advance. The word "Advance" means a disbursement of Loan funds made, or to be made, to Borrower or on Borrower's behalf on a revolving line of credit described in the Note under the terms and conditions of this Agreement.

Agreement. The word "Agreement" means this Business Loan Agreement, as this Business Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Business Loan Agreement from time to time.

Borrower. The word "Borrower" means ANI License Fund, LLC, a California limited liability company, and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all property and assets granted as collateral security for a Loan, whether real or personal property, whether granted directly or indirectly, whether granted now or in the future, and whether granted in the form of a security interest, mortgage, collateral mortgage, deed of trust, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien, charge, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

GAAP. The word "GAAP" means generally accepted accounting principles.

Grantor. The word "Grantor" means each and all of the persons or entities granting a Security Interest in any Collateral for the Loan, including without limitation all Borrowers granting such a Security Interest.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Loan.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means SAN DIEGO PRIVATE BANK, its successors and assigns.

License Applicant. The term "License Applicant" means those persons or entities (each a "License Applicant") seeking authorization from the California Department of Alcoholic Beverage Control (the "ABC") to acquire by transfer a license issued by the ABC.

Loan. The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced, including without limitation those loans and financial accommodations described herein or described on any exhibit or schedule attached to this Agreement from time to time.

Note. The word "Note" means the Note dated September 8, 2016 and executed by ANI License Fund, LLC, a California limited liability company, in the original principal amount of \$5,000,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Permitted Liens. The words "Permitted Liens" mean (1) liens and security interests securing indebtedness owed by Borrower to Lender; (2) liens for taxes, assessments, or similar charges either not yet due or being contested in good faith; (3) liens of materialmen, mechanics, warehousemen, or carriers, or other like liens arising in the ordinary course of business and securing obligations which are not yet delinquent; (4) purchase money liens or purchase money security interests upon or in any property acquired or held by Borrower in the ordinary course of business to secure indebtedness outstanding on the date of this Agreement or permitted to be incurred under the paragraph of this Agreement titled "Indebtedness and Liens"; (5) liens and security interests which, as of the date of this Agreement, have been disclosed to and approved by the Lender in writing; and (6) those liens and security interests which in the aggregate constitute an immaterial and insignificant monetary amount with respect to the net value of Borrower's assets.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.

Security Agreement. The words "Security Agreement" mean and include without limitation any agreements, promises, covenants, arrangements, understandings or other agreements, whether created by law, contract, or otherwise, evidencing, governing, representing, or creating a Security Interest.

Security Interest. The words "Security Interest" mean, without limitation, any and all types of collateral security, present and future, whether in the form of a lien, charge, encumbrance, mortgage, deed of trust, security deed, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever whether created by law, contract, or otherwise.

SDPB-147.BLA.589354

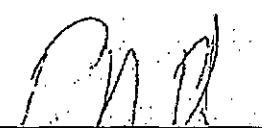
Page 7

BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS BUSINESS LOAN AGREEMENT AND BORROWER AGREES TO ITS TERMS. THIS BUSINESS LOAN AGREEMENT IS DATED SEPTEMBER 3, 2016.

BORROWER:

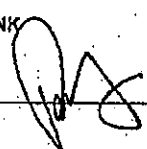
ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 
Gina Champion-Cain, Manager of ANI License Fund,
LLC, a California limited liability company

By: 
Kim H. Peterson, Manager of ANI License Fund, LLC,
a California limited liability company

LENDER:

SAN DIEGO PRIVATE BANK

By: 
Authorized Signer

SDPB.147.589354

CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	03-10-2018	52246			PA	PC
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

Principal Amount: \$12,500,000.00

Initial Rate: 7.000%

Date of Agreement: April 4, 2017

DESCRIPTION OF EXISTING INDEBTEDNESS.

Promissory Note dated September 9, 2015 in the original Principal Amount of \$5,000,000.00 as modified by Change in Terms Agreement dated June 20, 2016 increasing the Principal Amount to \$7,500,000.00 together with all renewals, extensions and modifications related thereto (the "Note").

DESCRIPTION OF COLLATERAL.

Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264001 (ANI License Fund, LLC) and Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264485 (ANI Development, LLC).

DESCRIPTION OF CHANGE IN TERMS.

Effective March 10, 2017, the Note is hereby modified as follows:

1. The date on which all outstanding principal is due and payable together with any accrued but unpaid interest (the "Maturity Date") is hereby extended from March 10, 2017 to March 10, 2018.
2. The Principal Amount of the Note is hereby increased from \$7,500,000.00 to \$12,500,000.00. Borrower promises to pay to Lender, the principal amount of \$12,500,000.00, or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance made under the Note.
3. The section entitled LINE OF CREDIT is modified to include the following as subsection (F). Borrower acknowledges and agrees that the current combined legal lending limit of Lender and Lender's participant is \$12,448,000. Unless and until such lending limit is increased, Borrower will not receive advances and will not request advances in excess of the amount of \$12,448,000.

The Business Loan Agreement is modified as follows:

1. The section entitled Guaranties is hereby modified as follows: ANI Development, LLC is hereby added as an unlimited Guarantor.
2. Commercial Guaranty of even date by ANI Development, LLC, a California limited liability company is executed concurrently with this Agreement.
3. The section entitled LOAN ADVANCES is hereby modified and restated as follows: Borrower may request an Advance by submitting to Lender a completed Loan Request in the form attached as Exhibit A at least three (3) days prior to the proposed funding. Each Advance shall be funded to Chicago Title Company pursuant to the form of Escrow Agreement attached hereto as Exhibit B. In the alternative, an Advance may be funded to a Borrower account with Lender to be funded to Chicago Title Company as provided in this Agreement. The date on which each Advance shall be repaid (the "Due Date") shall be three Business Days following the earliest of (1) the date License Applicant delivers to Escrow Holder the License Applicant's funds to replace the principal amount of the Advance, (2) the date the License Applicant's license transfer escrow is terminated because the ABC disapproved the License Applicant's transfer application, or (3) the date that is 300 days after the Loan Date for such Advance. Borrower shall pay to Lender for each Advance Lender's standard wire transfer fees. Borrower acknowledges and agrees that funds received from Chicago Title Company ("Escrow Holder") for repayment of each Advance shall be deposited into the Borrower's DDA account #212792 ("Restricted Account"). Borrower acknowledges and agrees that Borrower shall have no control over or access to the Restricted Account under any circumstances. Lender is hereby irrevocably authorized to debit the Restricted Account and credit Loan #52246 for the principal and interest owed on each Advance being repaid by Escrow Holder without any additional approval from Borrower. After Lender debits the Restricted Account for repayment of a particular Advance, Lender shall deposit any remaining funds held in the Restricted Account related to such Advance into the Borrower's DDA account # 00219355 ("Unrestricted Account"). Borrower shall have access only to the Unrestricted Account.
4. Add the following provision: **CONTRACTUAL COMMITMENT TO ADVANCE FUNDS.** The Lender agrees to advance funds under this Loan as long as the outstanding principal balance combined with all other outstanding obligations of the Borrower to the Lender and the amount of such advance is within the Lender's lending limit on the date of funding as determined under 12 U.S.C. 84 and regulations thereunder. If the advance of funds requested by Borrower will cause the Borrower's combined outstanding obligations to be greater than the institution's lending limit, then the Lender shall have no obligation to make such advance. The Lender's refusal to advance funds to Borrower under this condition will not be considered a breach of this contract and will release the Lender from its obligation to advance funds.

All other terms and conditions shall remain the same.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on March 10, 2018. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning April 10, 2017, with all subsequent interest payments to be due on the same day of each month after that.

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the U. S. Prime Rate as published in the Money Rates section of the Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 4.000% per annum. Interest on the unpaid principal balance of this loan will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 3.000 percentage points over the Index, resulting in an initial rate of 7.000%. NOTICE: Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this loan is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year (365 for all years, including leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this loan is computed using this method.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does

**CHANGE IN TERMS AGREEMENT
(Continued)**

Loan No: 52246

Page 2

not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

GUARANTOR EXHIBIT. An exhibit, titled "GUARANTOR EXHIBIT," is attached to this Agreement and by this reference is made a part of this Agreement just as if all the provisions, terms and conditions of the Exhibit had been fully set forth in this Agreement.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 

Gina Champion-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By: 

Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

LENDER:

SAN DIEGO PRIVATE BANK

x 

Authorized Signer

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EXHIBIT A to Business Loan Agreement
(Loan Request Form)

Exhibit A

LOAN REQUEST

To: San Diego Private Bank
9404 Genesee Avenue, Suite 100
La Jolla, California 92037

Attn: Betsy Chadwick

ANI License Fund, LLC ("Borrower"), hereby requests from San Diego Private Bank ("SDPB") a Loan in the amount of \$ _____ on _____, 20____ (the "Loan Date") pursuant to the Loan Agreement between Borrower and Lender (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please wire funds to:

Bank: Union Bank, Monterey Park, CA
Escrow Agent: Chicago Title Company
ABA Number: 122000496
Account Number: 0010425492
Reference: Escrow/Title Order No. ~~32743-DD~~ 66061DD
Escrow Office Name: Della Ducharme Unit

Borrower represents that the conditions precedent to the Loan set forth in the Agreement are satisfied and shall be satisfied upon the making of such Loan, including but not limited to (i) that no event that has had or could reasonably be expected to have a material adverse effect has occurred and is continuing; (ii) that the representations and warranties set forth in the Agreement are and shall be true and correct in all material respects on and as of the Loan Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date; (iii) that Borrower is in compliance with all the terms and provisions set forth in each Loan Document on its part to be observed or performed; and (iv) that as of the Loan Date, no fact or condition exists that would (or would, with the passage of time, the giving of notice, or both) constitute an Event of Default under the Loan Documents. Borrower understands and acknowledges that SDPB has the right to review the financial information supporting this representation and Lender may decline to fund the requested Loan if following such review SDPB reasonably concludes such representation is not accurate in any material respect.

Borrower hereby represents that Borrower's corporate status and locations have not changed since the date of the Agreement.

Borrower agrees to notify SDPB promptly before the funding of the Loan if any of the matters which have been represented above were not true and correct on the Loan Date, and if Lender has received no such notice before the Loan Date, then the statements set forth above shall be deemed to have been made and shall be deemed to be true and correct as of the Loan Date.

Executed as of _____, 20____

ANI License Fund, LLC,

By _____
Kim H. Peterson or Gina Champion Cain

EXHIBIT B to Business Loan Agreement
(Escrow Agreement)

Escrow No. 66061-DD

Chicago Title Company
701 B Street, Suite 760
San Diego, California 92101

ESCROW AGREEMENT
(Holding Funds)

This Escrow Agreement ("Agreement") is made and entered into as of _____, 2017, by and between ANI Development, LLC, a California limited liability company ("Lender"), and Chicago Title Company, a California corporation ("Escrow Holder").

RECITALS

Lender desires to deposit certain funds and direct others to deposit certain funds (the "Deposit") into this Escrow and to provide Escrow Holder with written instructions setting forth the conditions under which Escrow Holder will invest and hold the funds and ultimately disburse them.

Lender and Escrow Holder understand that this is a limited escrow only and is being opened for the benefit of _____ ("Applicant"), who is applying for approval of a transfer to Applicant of a license issued by the California Department of Alcoholic Beverage Control ("ABC") under Business and Professions Code sections 24070-24082. The license that is the subject of Applicant's application to ABC is License No. _____ ("the License").

NOW, THEREFORE, the parties agree as follows:

AGREEMENTS

Deposit. Within five business days following the date this Agreement is signed by Lender and Escrow Holder, Lender will cause to be deposited a total sum of \$ _____ ("the Deposit") with Escrow Holder for the refundable deposit for Applicant's application to ABC for approval of transfer to Applicant of the License. The source of funds for the Deposit shall be from an account at San Diego Private Bank in the name of ANI License Fund, LLC. Escrow Holder will do the following:

Invest Funds. Place the Deposit into an interest-bearing account with all interest accruing to the account of Lender. Concurrently herewith, Lender will provide Escrow Holder with the required IRS Form W-9 and Investment Instructions required to establish such account.

226 Form. Escrow Holder shall send to ABC a completed Form 226 upon Escrow Holder's receipt of the Deposit.

Ownership of Deposit. It is acknowledged and understood that only ANI License Fund, LLC has an ownership interest in the Deposit and that Lender has no ownership interest in the Deposit and has no right to direct the disposition of the Deposit except as set forth in and as provided in the Release of Deposit paragraph as follows.

Release of the Initial Deposit. At any time, Lender may provide written instructions to Escrow Holder to release all or a portion of the Deposit and the interest thereon. During the term of this Escrow, upon the written instructions from the Lender, Escrow Holder will disburse the Deposit and, as instructed by the Lender, only to the following account:

San Diego Private Bank
ABA # 122244029
FCC: ANI License Fund, LLC
A/C# 212792

Upon receipt of such instructions, Escrow Holder's only duty is to comply with said instructions and to disburse the Deposit as requested by Lender, and in accordance with this Escrow Agreement.

Escrow Holder's Requirement to Terminate Escrow. Escrow Holder shall terminate this Escrow upon the instructions of Lender or 300 days after this Escrow has been opened, unless requested to do otherwise by both Lender and San Diego Private Bank. At the time that this Escrow is terminated, the Deposit and, as instructed by the Lender, any interest thereon shall be disbursed to the ANI License Fund, LLC account referenced above, and all remaining funds shall be disbursed to Lender unless otherwise directed, less Escrow Holder's unpaid fees.

Escrow Holder's Fee. Lender shall pay to Escrow Holder a fee in the amount of \$1,000.00 for Escrow Holder's services provided in connection with this Escrow, which fee shall be paid \$500.00 upon Escrow Holder's receipt of the Deposit and \$500.00 upon Escrow Holder's release of the Deposit.

Escrow Holder's General Provisions. By signature hereon, Lender approves Escrow Holder's General Provisions, a copy of which is attached to this Agreement as Exhibit "A" and are incorporated by reference as if fully set forth in this section.

Escrow Holder's Wiring Instructions. By signature hereon, Lender approves Escrow Holder's Wiring Instructions directive, a copy of which is attached to the Agreement as Exhibit "B" and are incorporated by reference as if fully set forth in this section.

Third-Party Beneficiary. The Lender and the Escrow Holder agree that San Diego Private Bank shall be, and is hereby, named an express third party beneficiary of this Agreement, with full rights as such. The language of this Agreement relating to "Release of Deposit" and "Escrow Holder's Requirement to Terminate Escrow" cannot be amended without the advance written consent of the San Diego Private Bank.

IN WITNESS WHEREOF, this Agreement has been executed by the parties effective as of the date indicated above.

LENDER

ANI Development, LLC,
a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

By _____
Gina Champion-Cain
Date: _____, 2017

ESCROW HOLDER

Chicago Title Company,
a California corporation

By _____
Print Name: _____
Date: _____, 2017

GUARANTOR EXHIBIT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	03-10-2018	52246			PA	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

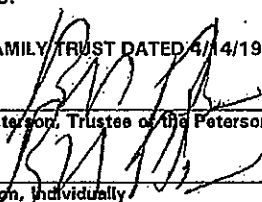

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

This GUARANTOR EXHIBIT is attached to and by this reference is made a part of the Change in Terms Agreement, dated April 4, 2017, and executed in connection with a loan or other financial accommodations between SAN DIEGO PRIVATE BANK and ANI License Fund, LLC, a California limited liability company.

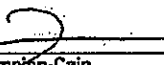

Guarantors have reviewed the Change in Terms Agreement and hereby consent to its execution by Borrower. Guarantors acknowledge and agree that: (a) The execution of the Change in Terms Agreement shall not impair, limit, abrogate or reduce in any manner or to any extent the obligations of Guarantors under the Guaranty; and (b) Lender would not enter into the Change in Terms Agreement without the execution and delivery of this consent. Guarantors acknowledge and agree that, notwithstanding the execution of the Change in Terms Agreement: (a) Guarantors remain liable under and pursuant to the Guaranty to the fullest extent as if the original provisions of the Related Documents were as reflected in the Related Documents as modified by the Change in Terms Agreement; (b) Each provision of the Guaranty remains unaffected and unchanged and in full force and effect, and (c) Guarantors hereby renew, reaffirm, ratify and confirm the Guaranty.

GUARANTORS:


PETERSON FAMILY TRUST DATED 4/14/1992

BY: 
Kim H. Peterson, Trustee of the Peterson Family Trust
BY: 
Kim H. Peterson, individually

THE GINA CHAMPION-CAIN REVOCABLE TRUST AGREEMENT DATED JUNE 26, 2012

BY: 
Gina Champion-Cain
BY: 
Gina Champion-Cain, individually


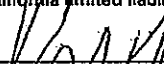
ANI DEVELOPMENT, LLC, a California limited liability company

BY: 
Gina Champion-Cain, Manager

THIS GUARANTOR EXHIBIT IS EXECUTED ON APRIL 4, 2017.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

BY: 
Gina Champion-Cain, Manager of ANI License Fund, LLC, a California limited liability company
BY: 
Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

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DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No.	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-08-2015	03-10-2018	52246			PA	PC
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

LOAN TYPE. This is a Variable Rate Nondisclosable Revolving Line of Credit Loan to a Limited Liability Company for \$12,500,000.00 due on March 10, 2018. This is a secured renewal loan.

PRIMARY PURPOSE OF LOAN. The primary purpose of this loan is for:

- ☐ Personal, Family, or Household Purposes or Personal Investment.
☒ Business (Including Real Estate Investment).

SPECIFIC PURPOSE. The specific purpose of this loan is: Loan renewal and increase.

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$12,500,000.00 as follows:

Undisbursed Funds:	\$5,000,000.00
Other Disbursements:	\$7,500,000.00
\$7,500,000.00 Current principal balance outstanding	
Note Principal:	\$12,500,000.00

CHARGES PAID IN CASH. Borrower has paid or will pay in cash as agreed the following charges:

Prepaid Finance Charges Paid in Cash:	\$0.00
Other Charges Paid in Cash:	\$89,894.34
\$50,000.00 Loan Fee	
\$100.00 UCC Search Fees (estimate)	
\$1,250.00 Processing fee	
\$38,544.34 Interest to 3/10/2017	
Total Charges Paid in Cash:	\$89,894.34

AUTOMATIC PAYMENTS. Borrower hereby authorizes Lender automatically to deduct from Borrower's SDPB account account, numbered 219355, the amount of any loan payment. If the funds in the account are insufficient to cover any payment, Lender shall not be obligated to advance funds to cover the payment. At any time and for any reason, Borrower or Lender may voluntarily terminate Automatic Payments.

BORROWER'S AUTHORIZATION. Borrower hereby authorizes Lender to debit funds from account #212792 and credit new account #219355. After funds are transferred all Fees and charges will be deducted from Borrower's account # 219355.

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED APRIL 4, 2017.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: Gina Champion-Cain
Gina Champion-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By: Kim R. Peterson
Kim R. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

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COMMERCIAL GUARANTY

Principal	Loan Date	Maturity	Loan No.	Call / Coll	Account	Officer PA	Initials
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

Guarantor: ANI Development, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

CONTINUING GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of the indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the indebtedness or against any collateral securing the indebtedness, this Guaranty or any other guaranty of the indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents. Under this Guaranty, Guarantor's liability is unlimited and Guarantor's obligations are continuing.

INDEBTEDNESS. The word "indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, attorneys' fees, arising from any and all debts, liabilities and obligations of every nature or form, now existing or hereafter arising or acquired, that Borrower individually or collectively or interchangeably with others, owes or will owe Lender. "Indebtedness" includes, without limitation, loans, advances, debts, overdraft indebtedness, credit card indebtedness, lease obligations, liabilities and obligations under any interest rate protection agreements or foreign currency exchange agreements or commodity price protection agreements, other obligations, and liabilities of Borrower, and any present or future judgments against Borrower, future advances, loans or transactions that renew, extend, modify, refinance, consolidate or substitute these debts, liabilities and obligations whether: voluntarily or involuntarily incurred; due or to become due by their terms or acceleration; absolute or contingent; liquidated or unliquidated; determined or undetermined; direct or indirect; primary or secondary in nature or arising from a guaranty or surety; secured or unsecured; joint or several or joint and several; evidenced by a negotiable or non-negotiable instrument or writing; originated by Lender or another or others; barred or unenforceable against Borrower for any reason whatsoever; for any transactions that may be voidable for any reason (such as infancy, insanity, ultra vires or otherwise); and originated then reduced or extinguished and then afterwards increased or reinstated.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unexpired guaranties.

CONTINUING GUARANTY. THIS IS A "CONTINUING GUARANTY" UNDER WHICH GUARANTOR AGREES TO GUARANTEE THE FULL AND PUNCTUAL PAYMENT, PERFORMANCE AND SATISFACTION OF THE INDEBTEDNESS OF BORROWER TO LENDER, NOW EXISTING OR HEREFTER ARISING OR ACQUIRED, ON AN OPEN AND CONTINUING BASIS. ACCORDINGLY, ANY PAYMENTS MADE ON THE INDEBTEDNESS WILL NOT DISCHARGE OR DIMINISH GUARANTOR'S OBLIGATIONS AND LIABILITY UNDER THIS GUARANTY FOR ANY REMAINING AND SUCCEEDING INDEBTEDNESS EVEN WHEN ALL OR PART OF THE OUTSTANDING INDEBTEDNESS MAY BE A ZERO BALANCE FROM TIME TO TIME.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the indebtedness incurred or contracted before receipt by Lender of any notice of revocation shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. If Guarantor elects to revoke this Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender, by certified mail, at Lender's address listed above or such other place as Lender may designate in writing. Written revocation of this Guaranty will apply only to new indebtedness created after actual receipt by Lender of Guarantor's written revocation. For this purpose and without limitation, the term "new indebtedness" does not include the indebtedness which at the time of notice of revocation is contingent, unliquidated, undetermined or not due and which later becomes absolute, liquidated, determined or due. For this purpose and without limitation, "new indebtedness" does not include all or part of the indebtedness that is: incurred by Borrower prior to revocation; incurred under a commitment that became binding before revocation; any renewals, extensions, substitutions, and modifications of the indebtedness. This Guaranty shall bind Guarantor's estate as to the indebtedness created both before and after Guarantor's death or incapacity, regardless of Lender's actual notice of Guarantor's death. Subject to the foregoing, Guarantor's executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any other guaranty or termination of any other guaranty of the indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty. Guarantor's obligations under this Guaranty shall be in addition to any of Guarantor's obligations, or any of them, under any other guaranties of the indebtedness or any other person heretofore or hereafter given to Lender unless such other guaranties are modified or revoked in writing; and this Guaranty shall not, unless provided in this Guaranty, affect, invalidate, or supersede any such other guaranty. It is anticipated that fluctuations may occur in the aggregate amount of the indebtedness covered by this Guaranty, and Guarantor specifically acknowledges and agrees that reductions in the amount of the indebtedness, even to zero dollars (\$0.00), shall not constitute a termination of this Guaranty. This Guaranty is binding upon Guarantor and Guarantor's heirs, successors and assigns so long as any of the indebtedness remains unpaid and even though the indebtedness may from time to time be zero dollars (\$0.00).

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, either before or after any revocation hereof, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) prior to revocation as set forth above, to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the indebtedness or any part of the indebtedness, including increases and decreases of the rate of interest on the indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the indebtedness, and exchange, enforce, waive, subordinate, fall or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of

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payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

FINANCIAL STATEMENT CERTIFICATION. The undersigned hereby certifies to San Diego Private Bank ("Lender") that all financial information ("information") submitted to Lender now and at all times during the term of this loan does, and will, fairly and accurately represent the financial condition of the undersigned, all Borrowers, and Guarantors. Financial information includes, but is not limited to, all Business Financial Statements (including Interim and Year-End financial statements that are company prepared and/or CPA prepared), Business Income Tax Returns, Borrowing Base Certificates, Accounts Receivable and Accounts Payable agings, Personal Financial Statements, third party verification statements, and Personal Income Tax Returns. The undersigned understands that Lender will rely on all information, whenever provided, and that such information is a material inducement to Lender to make, to continue to make, or otherwise extend credit accommodations to the undersigned. The undersigned covenants and agrees to notify Lender of any adverse material changes in her/his/its financial condition in the future. The undersigned further understands and acknowledges that there are criminal penalties for giving false financial information to federal insured financial institutions.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender to (A) make any presentment, protest, demand, or notice of any kind, including notice of change of any terms of repayment of the Indebtedness, default by Borrower, or any other guarantor or surety, any action or nonaction taken by Borrower, Lender, or any other guarantor or surety of Borrower, or the creation of new or additional indebtedness; (B) proceed against any person, including Borrower, before proceeding against Guarantor; (C) proceed against any collateral for the Indebtedness, including Borrower's collateral, before proceeding against Guarantor; (D) apply any payments or proceeds received against the Indebtedness in any order; (E) give notice of the terms, time, and place of any sale of the collateral pursuant to the Uniform Commercial Code or any other law governing such sale; (F) disclose any information about the Indebtedness, the Borrower, the collateral, or any other guarantor or surety, or about any action or nonaction of Lender; or (G) pursue any remedy or course of action in Lender's power whatsoever.

Guarantor also waives any and all rights or defenses arising by reason of (H) any disability or other defense of Borrower, any other guarantor or surety or any other person; (I) the cessation from any cause whatsoever, other than payment in full, of the Indebtedness; (J) the application of proceeds of the Indebtedness by Borrower for purposes other than the purposes understood and intended by Guarantor and Lender; (K) any act of omission or commission by Lender which directly or indirectly results in or contributes to the discharge of Borrower or any other guarantor or surety, or the Indebtedness, or the loss or release of any collateral by operation of law or otherwise; (L) any statute of limitations in any action under this Guaranty or on the Indebtedness; or (M) any modification or change in terms of the Indebtedness, whatsoever, including without limitation, the renewal, extension, acceleration, or other change in the time payment of the Indebtedness is due and any change in the interest rate, and including any such modification or change in terms after revocation of this Guaranty on the Indebtedness incurred prior to such revocation.

Guarantor waives all rights of subrogation, reimbursement, indemnification, and contribution and any other rights and defenses that are or may become available to Guarantor by reason of California Civil Code Sections 2787 to 2855, inclusive.

Guarantor waives all rights and any defenses arising out of an election of remedies by Lender even though that the election of remedies, such as a non-judicial foreclosure with respect to security for a guaranteed obligation, has destroyed Guarantor's rights of subrogation and reimbursement against Borrower by operation of Section 580d of the California Code of Civil Procedure or otherwise.

Guarantor waives all rights and defenses that Guarantor may have because Borrower's obligation is secured by real property. This means among other things: (N) Lender may collect from Guarantor without first foreclosing on any real or personal property collateral pledged by Borrower. (O) If Lender forecloses on any real property collateral pledged by Borrower: (1) the amount of Borrower's obligation may be reduced only by the price for which the collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price. (2) Lender may collect from Guarantor even if Lender, by foreclosing on the real property collateral, has destroyed any right Guarantor may have to collect from Borrower. This is an unconditional and irrevocable waiver of any rights and defenses Guarantor may have because Borrower's obligation is secured by real property. These rights and defenses include, but are not limited to, any rights and defenses based upon Section 580a, 580b, 580d, or 726 of the Code of Civil Procedure.

Guarantor understands and agrees that the foregoing waivers are unconditional and irrevocable waivers of substantive rights and defenses to which Guarantor might otherwise be entitled under state and federal law. The rights and defenses waived include, without limitation, those provided by California laws of suretyship and guaranty, anti-deficiency laws, and the Uniform Commercial Code. Guarantor acknowledges that Guarantor has provided these waivers of rights and defenses with the intention that they be fully relied upon by Lender. Guarantor further understands and agrees that this Guaranty is a separate and independent contract between Guarantor and Lender, given for full and ample consideration, and is enforceable on its own terms. Until all of the Indebtedness is paid in full, Guarantor waives any right to enforce any remedy Guarantor may have against the Borrower or any other guarantor, surety, or other person, and further, Guarantor waives any right to participate in any collateral for the Indebtedness now or hereafter held by Lender.

Guarantor's Understanding With Respect To Waivers. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

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Subordination of Borrower's Debts to Guarantor. Guarantor agrees that the indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

Miscellaneous Provisions. The following miscellaneous provisions are a part of this Guaranty:

AMENDMENTS. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

ATTORNEYS' FEES; EXPENSES. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

CAPTION HEADINGS. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

GOVERNING LAW. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions.

CHOICE OF VENUE. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of San Diego County, State of California.

INTEGRATION. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and no evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

INTERPRETATION. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

NOTICES. Any notice required to be given under this Guaranty shall be given in writing, and, except for revocation notices by Guarantor, shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. All revocation notices by Guarantor shall be in writing and shall be effective upon delivery to Lender as provided in the section of this Guaranty entitled "DURATION OF GUARANTY." Any party may change its address for notices under this Guaranty by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

NO WAIVER BY LENDER. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

SUCCESSORS AND ASSIGNS. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

GUARANTOR'S FINANCIAL REQUIREMENTS.

PERSONAL FINANCIAL STATEMENTS. If requested by Lender, Guarantor to provide to Lender, as soon as available, annually, a self-prepared personal financial statement, consolidated balance sheet, income statement and asset statements for the preceding calendar year end, in form satisfactory to Lender. Statements may be due more often if requested by Lender.

TAX RETURNS. Guarantor to provide to Lender within 30 days of the required filed date, copies of Federal and other governmental tax returns for the preceding calendar year. If extensions are filed, copies of such extensions are to be provided immediately upon filing.

Definitions. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in

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(Continued)**

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the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

BORROWER. The word "Borrower" means ANI License Fund, LLC, a California limited liability company and includes all co-signers and co-makers signing the Note and all their successors and assigns.

GUARANTOR. The word "Guarantor" means everyone signing this Guaranty, including without limitation ANI Development, LLC, a California limited liability company, and in each case, any signer's successors and assigns.

GUARANTY. The word "Guaranty" means this guaranty from Guarantor to Lender.

INDEBTEDNESS. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

LENDER. The word "Lender" means SAN DIEGO PRIVATE BANK, its successors and assigns.

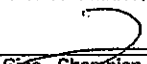
NOTE. The word "Note" means and includes without limitation all of Borrower's promissory notes and/or credit agreements evidencing Borrower's loan obligations in favor of Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of and substitutions for promissory notes or credit agreements.

RELATED DOCUMENTS. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED APRIL 4, 2017.

GUARANTOR:

ANI DEVELOPMENT, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 
Gina Champion-Coin, Managing Member of ANI
Development, LLC, a California limited liability
company

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LIMITED LIABILITY COMPANY RESOLUTION TO BORROW / GRANT COLLATERAL

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	03-10-2018	52246			PA	PC
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Company: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

WE, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

THE COMPANY'S EXISTENCE. The complete and correct name of the Company is ANI License Fund, LLC, a California limited liability company ("Company"). The Company is a limited liability company which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California. The Company is duly authorized to transact business in all other states in which the Company is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Company is doing business. Specifically, the Company is, and at all times shall be, duly qualified as a foreign limited liability company in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Company has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Company maintains an office at 3515 Hancock Street, Suite 200, San Diego, CA 92110. Unless the Company has designated otherwise in writing, the principal office is the office at which the Company keeps its books and records. The Company will notify Lender prior to any change in the location of the Company's state of organization or any change in the Company's name. The Company shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Company and the Company's business activities.

RESOLUTIONS ADOPTED. At a meeting of the members of the Company, duly called and held on _____, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

MEMBERS. The following named entities are members of ANI License Fund, LLC, a California limited liability company:

NAMES	TITLES	AUTHORIZED	ACTUAL SIGNATURES
Kim Funding, LLC, a California limited liability company	Member	N	
GCC II, LLC	Member	N	

AGENTS. The agents of the Company are:

NAMES	TITLES	AUTHORIZED	ACTUAL SIGNATURES
Gina Champlon-Cain	Manager	Y	X
Kim H. Peterson	Manager	Y	X

ACTIONS AUTHORIZED. Any two (2) of the authorized persons listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Company. Specifically, but without limitation, any two (2) of such authorized persons are authorized, empowered, and directed to do the following for and on behalf of the Company:

Borrow Money. To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Company and Lender, such sum or sums of money as in their judgment should be borrowed, without limitation.

Execute Notes. To execute and deliver to Lender the promissory note or notes, or other evidence of the Company's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Company's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

Grant Security. To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Company or in which the Company now or hereafter may have an interest, including without limitation all of the Company's real property and all of the Company's personal property (tangible or intangible), as security for the payment of any loans or credit accommodations so obtained, any promissory notes so executed (including any amendments to or modifications, renewals, and extensions of such promissory notes), or any other or further indebtedness of the Company to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered.

Execute Security Documents. To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances.

Negotiate Items. To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Company or in which the Company may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Company's account with Lender, or to cause such other disposition of the proceeds derived therefrom as they may deem advisable.

Further Acts. In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements as the members may in their discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution. The following person or persons are authorized to request advances and authorize payments under

LIMITED LIABILITY COMPANY RESOLUTION TO BORROW / GRANT COLLATERAL

Loan No: 52246

(Continued)

Page 2

the line of credit until Lender receives from the Company, at Lender's address shown above, written notice of revocation of such authority: Gina Champion-Cain and Kim H. Peterson.

ASSUMED BUSINESS NAMES. The Company has filed or recorded all documents or filings required by law relating to all assumed business names used by the Company. Excluding the name of the Company, the following is a complete list of all assumed business names under which the Company does business: None.

NOTICES TO LENDER. The Company will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Company's name; (B) change in the Company's assumed business name(s); (C) change in the management or in the Members of the Company; (D) change in the authorized signer(s); (E) change in the Company's principal office address; (F) change in the Company's state of organization; (G) conversion of the Company to a new or different type of business entity; or (H) change in any other aspect of the Company that directly or indirectly relates to any agreements between the Company and Lender. No change in the Company's name or state of organization will take effect until after Lender has received notice.


CERTIFICATION CONCERNING MEMBERS AND RESOLUTIONS. The members and agents named above are duly elected, appointed, or employed by or for the Company, as the case may be, and occupy the positions set opposite their respective names. This Resolution now stands of record on the books of the Company, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

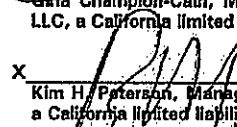
CONTINUING VALIDITY. Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Company's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, we have hereunto set our hand and attest that the signatures set opposite the names listed above are their genuine signatures.

We each have read all the provisions of this Resolution, and we each personally and on behalf of the Company certify that all statements and representations made in this Resolution are true and correct. This Limited Liability Company Resolution to Borrow / Grant Collateral is dated April 4, 2017.

CERTIFIED TO AND ATTESTED BY:

X 
Gina Champion-Cain, Manager of ANI License Fund, LLC, a California limited liability company

X 
Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

NOTE: If the members signing this Resolution are designated by the foregoing document as one of the members authorized to act on the Company's behalf, it is advisable to have this Resolution signed by at least one non-authorized member of the Company.

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TRUST CERTIFICATE

Principal	Loan Date	Maturity	Loan No.	Cell / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	03-10-2018	52246			PA	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "****" has been omitted due to text length limitations.

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

Trust: Peterson Family Trust dated 4/14/92
271 Ocean View Ave
Del Mar, CA 92014

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

CERTIFICATION OF TRUST. This Trust Certificate is given by the Trustee voluntarily, pursuant to Section 18100.5 of the California Probate Code and under penalty of perjury, intending that the facts set forth in this Certificate be relied upon by Lender as true and correct.

- (A) Trust is in existence as of this date and is evidenced by a Trust Instrument executed on April 14, 1992.
- (B) The name of the Trustee is: Kim H. Peterson.
- (C) The name of the Trust Settlor is: Kim H. Peterson.
- (D) The powers of Trustee include the power to do, or perform, all of the acts and things on behalf of Trust set forth in this Certificate.
- (E) Trust is irrevocable.
- (F) The trust instrument requires the signature of any 1 Trustee to exercise any powers of the Trustee.
- (G) Trust's tax or employer identification number is 84-6267336.
- (H) Title to Trust assets is to be taken in the name of Kim H. Peterson Trustee of the Peterson Family Trust dated 4/14/92.
- (I) Trustee hereby certifies that Trust has not been revoked, modified, or amended in any manner which would cause the representations contained in this Certificate to be incorrect and this Certificate is being signed by all of the currently acting Trustees of Trust. Trustee acknowledges and agrees that Lender may require Trustee to provide copies of excerpts from the trust instrument and amendments which designate the Trustee and confer upon the Trustee the power to act in these transactions, and that Lender may require such further identification or legal opinion supporting the Trustee authority and power as Lender shall deem necessary and prudent.

BORROWING CERTIFICATE. Trustee, for and on behalf of Trust, is authorized and empowered on behalf of Trust:

Guaranty. To guarantee or act as surety for loans or other financial accommodations to Borrower from Lender on such guarantee or surety terms as may be agreed upon between the Trustee of Trust and Lender and in such sum or sums of money as in his or her judgment should be guaranteed or assured, (the "Guaranty").

Grant Security. To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to Trust or in which Trust now or hereafter may have an interest, including without limitation all of Trust's real property and all of Trust's personal property (tangible or intangible), as security for the Guaranty, and as a security for the payment of any loans, any promissory notes, or any other or further indebtedness of ANI License Fund, LLC, a California limited liability company to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered. The provisions of this Certificate authorizing or relating to the pledge, mortgage, transfer, endorsement, hypothecation, granting of a security interest in, or in any way encumbering, the assets of Trust shall include, without limitation, doing so in order to lend collateral security for the indebtedness, now or hereafter existing, and of any nature whatsoever, of ANI License Fund, LLC, a California limited liability company to Lender. The Trustees have considered the value to Trust of lending collateral in support of such indebtedness, and the Trustees represent to Lender that Trust is benefited by doing so.

Execute Security Documents. To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances.

Negotiate Items. To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to Trust or in which Trust may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to Trust's account with Lender, or to cause such other disposition of the proceeds derived therefrom as he or she may deem advisable.

Further Acts. To do and perform such other acts and things and to execute and deliver such other documents and agreements as the Trustee may in his or her discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Certificate.

TERMINATION OR TRANSFER. Trustees agree that the Trustees will provide to Lender written notice prior to any termination or revocation of Trust or prior to the transfer from Trust of any Trust asset upon which Lender may be relying for repayment of Trust's indebtedness to Lender.

NOTICES TO LENDER. The Trustees will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in Trust's name; (B) change in Trust's assumed business name(s); (C) change in the Trustees of the Trust; (D) change in the authorized signer(s); (E) change in Trust's state of organization; (F) conversion of Trust to a new or different type of business entity; or (G) change in any other aspect of Trust that directly or indirectly relates to any agreements between Trust and Lender. No change in Trust's name or state of organization will take effect until after Lender has received notice.

FURTHER TRUST CERTIFICATIONS. The persons named above is duly appointed and acting Trustee of Trust and is duly authorized to act on behalf of Trust in the manner described above; I am familiar with the purpose of the Indebtedness; the Indebtedness proceeds are to be used for a legitimate trust purpose and for the benefit of the Trust and its beneficiaries.

CONTINUING VALIDITY. This Certificate shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice

**TRUST CERTIFICATE
(Continued)**

Loan No: 52246

Page 2


of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of Trust's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, I have hereunto set my hand.

I have read all the provisions of this Certificate, and I personally and on behalf of Trust certify that all statements and representations made in this Certificate are true and correct. This Trust Certificate is dated April 4, 2017.

CERTIFIED TO AND ATTESTED BY:

X


Kim H. Peterson, Trustee of Peterson Family Trust
dated 4/14/92

CERTIFICATE OF ACKNOWLEDGMENT

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

STATE OF California)
COUNTY OF San Diego) SS

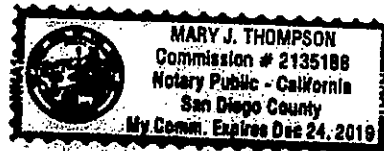
On April 4, 20 17 before me, Mary J. Thompson, Notary Public
(here insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature Mary J. Thompson



(Seal)

TRUST CERTIFICATE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	03-10-2018	52246			PA	PA
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC; a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92170

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

Trust: The Gina Champion-Cain Revocable Trust
Agreement dated June 26, 2012
2314 Stockton Drive
San Diego, CA 92103

I. THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

CERTIFICATION OF TRUST. This Trust Certificate is given by the Trustee voluntarily, pursuant to Section 18100.5 of the California Probate Code and under penalty of perjury, intending that the facts set forth in this Certificate be relied upon by Lender as true and correct.

- (A) Trust is in existence as of this date and is evidenced by a Trust instrument executed on June 26, 2012.
- (B) The name of the Trustee is: Gina Champion-Cain.
- (C) The name of the Trust Settlor is: Gina Champion-Cain.
- (D) The powers of Trustee include the power to do, or perform, all of the acts and things on behalf of Trust set forth in this Certificate.
- (E) Trust is revocable, and the name of the person holding any power to revoke the trust is: Gina Champion-Cain.
- (F) The trust instrument requires the signature of any 1 Trustee to exercise any powers of the Trustee.
- (G) Trust's tax or employer identification number is 37-3540816.
- (H) Title to Trust assets is to be taken in the name of Gina Champion-Cain Revocable Trust Agreement dated June 26, 2012
- (I) Trustee hereby certifies that Trust has not been revoked, modified, or amended in any manner which would cause the representations contained in this Certificate to be incorrect and this Certificate is being signed by all of the currently acting Trustees of Trust. Trustee acknowledges and agrees that Lender may require Trustee to provide copies of excerpts from the trust instrument and amendments which designate the Trustee and confer upon the Trustee the power to act in these transactions, and that Lender may require such further identification or legal opinion supporting the Trustee authority and power as Lender shall deem necessary and prudent.

BORROWING CERTIFICATE. Trustee, for and on behalf of Trust, is authorized and empowered on behalf of Trust:

Guaranty. To guarantee or act as surety for loans or other financial accommodations to Borrower from Lender on such guarantee or surety terms as may be agreed upon between the Trustee of Trust and Lender and in such sum or sums of money as in his or her judgment should be guaranteed or assured, (the "Guaranty").

Grant Security. To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to Trust or in which Trust now or hereafter may have an interest, including without limitation all of Trust's real property and all of Trust's personal property (tangible or intangible), as security for the Guaranty, and as a security for the payment of any loans, any promissory notes, or any other or further indebtedness of ANI License Fund, LLC, a California limited liability company to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered. The provisions of this Certificate authorizing or relating to the pledge, mortgage, transfer, endorsement, hypothecation, granting of a security interest in, or in any way encumbering, the assets of Trust shall include, without limitation, doing so in order to lend collateral security for the indebtedness, now or hereafter existing, and of any nature whatsoever, of ANI License Fund, LLC, a California limited liability company to Lender. The Trustees have considered the value to Trust of lending collateral in support of such indebtedness, and the Trustees represent to Lender that Trust is benefited by doing so.

Execute Security Documents. To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances. Notwithstanding the foregoing, any one of the above authorized persons may execute, deliver, or record financing statements.

Negotiate Items. To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to Trust or in which Trust may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to Trust's account with Lender, or to cause such other disposition of the proceeds derived therefrom as he or she may deem advisable.

Further Acts. To do and perform such other acts and things and to execute and deliver such other documents and agreements as the Trustee may in his or her discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Certificate.

TERMINATION OR TRANSFER. Trustees agree that the Trustees will provide to Lender written notice prior to any termination or revocation of Trust or prior to the transfer from Trust of any Trust asset upon which Lender may be relying for repayment of Trust's indebtedness to Lender.

NOTICES TO LENDER. The Trustees will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in Trust's name; (B) change in Trust's assumed business name(s); (C) change in the Trustees of the Trust; (D) change in the authorized signer(s); (E) change in Trust's state of organization; (F) conversion of Trust to a new or different type of business entity; or (G) change in any other aspect of Trust that directly or indirectly relates to any agreements between Trust and Lender. No change in Trust's name or state of organization will take effect until after Lender has received notice.

FURTHER TRUST CERTIFICATIONS. The persons named above is duly appointed and acting Trustee of Trust and is duly authorized to act on behalf of Trust in the manner described above; I am familiar with the purpose of the Indebtedness; the Indebtedness proceeds are to be used for a legitimate trust purpose and for the benefit of the Trust and its beneficiaries.

**TRUST CERTIFICATE
(Continued)**

Loan No: 52246

Page 2

CONTINUING VALIDITY. This Certificate shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of Trust's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, I have hereunto set my hand.

I have read all the provisions of this Certificate, and I personally and on behalf of Trust certify that all statements and representations made in this Certificate are true and correct. This Trust Certificate is dated April 4, 2017.

CERTIFIED TO AND ATTESTED BY:

X Gina Champion-Cain

CERTIFICATE OF ACKNOWLEDGMENT

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

STATE OF California

COUNTY OF San Diego

On April 4, 2017 before me, Mary J. Thompson, Notary Public
(here insert name and title of the officer)

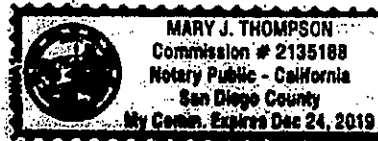
personally appeared Gina Champion-Cain, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s)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

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

WITNESS my hand and official seal.

Signature

Mary J. Thompson



(Seal)

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LIMITED LIABILITY COMPANY RESOLUTION TO GRANT COLLATERAL / GUARANTEE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Office	Initials
\$12,500,000.00	09-09-2015	09-10-2018	52246			PA	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

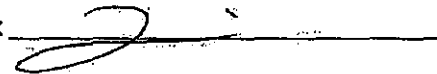
Company: ANI Development, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

THE COMPANY'S EXISTENCE. The complete and correct name of the Company is ANI Development, LLC, a California limited liability company ("Company"). The Company is a limited liability company which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California. The Company is duly authorized to transact business in all other states in which the Company is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Company is doing business. Specifically, the Company is, and at all times shall be, duly qualified as a foreign limited liability company in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Company has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Company maintains an office at 3515 Hancock Street, Suite 200, San Diego, CA 92110. Unless the Company has designated otherwise in writing, the principal office is the office at which the Company keeps its books and records. The Company will notify Lender prior to any change in the location of the Company's state of organization or any change in the Company's name. The Company shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Company and the Company's business activities.

RESOLUTIONS ADOPTED. At a meeting of the members of the Company, duly called and held on 4-4-17, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

MEMBERS. The following named person and entity are members of ANI Development, LLC, a California limited liability company:

NAMES	TITLES	AUTHORIZED	ACTUAL SIGNATURES
Gina Champlon-Cain	Managing Member	Y	X 
Kim Funding, LLC, a California limited liability company	Member	N	

ACTIONS AUTHORIZED. Any one (1) of the authorized person listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Company. Specifically, but without limitation, any one (1) of such authorized person is authorized, empowered, and directed to do the following for and on behalf of the Company:

Guaranty. To guarantee or act as surety for loans or other financial accommodations to Borrower from Lender on such guarantee or surety terms as may be agreed upon between the manager of the Company and Lender and in such sum or sums of money as in his or her judgment should be guaranteed or assured, (the "Guaranty").

Grant Security. To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Company or in which the Company now or hereafter may have an interest, including without limitation all of the Company's real property and all of the Company's personal property (tangible or intangible), as security for the Guaranty, and as a security for the payment of any loans, any promissory notes, or any other or further indebtedness of ANI License Fund, LLC, a California limited liability company to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered. The provisions of this Resolution authorizing or relating to the pledge, mortgage, transfer, endorsement, hypothecation, granting of a security interest in, or in any way encumbering, the assets of the Company shall include, without limitation, doing so in order to lend collateral security for the indebtedness, now or hereafter existing, and of any nature whatsoever, of ANI License Fund, LLC, a California limited liability company to Lender. The Company has considered the value to itself of lending collateral in support of such indebtedness, and the Company represents to Lender that the Company is benefited by doing so.

Execute Security Documents. To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances. Notwithstanding the foregoing, any one of the above authorized persons may execute, deliver, or record financing statements.

Further Acts. To do and perform such other acts and things and to execute and deliver such other documents and agreements as the manager may in his or her discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution.

ASSUMED BUSINESS NAMES. The Company has filed or recorded all documents or filings required by law relating to all assumed business names used by the Company. Excluding the name of the Company, the following is a complete list of all assumed business names under which the Company does business: None.

NOTICES TO LENDER. The Company will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Company's name; (B) change in the Company's assumed business name(s); (C) change in the management or in the Members of the Company; (D) change in the authorized signer(s); (E) change in the Company's principal office address; (F) change in the Company's state of organization; (G) conversion of the Company to a new or different

LIMITED LIABILITY COMPANY RESOLUTION TO GRANT COLLATERAL / GUARANTEE

Loan No: 52246

(Continued)

Page 2

type of business entity; or (H) change in any other aspect of the Company that directly or indirectly relates to any agreements between the Company and Lender. No change in the Company's name or state of organization will take effect until after Lender has received notice.


CERTIFICATION CONCERNING MANAGERS AND RESOLUTIONS. The manager named above is duly elected, appointed, or employed by or for the Company, as the case may be, and occupies the position set opposite his or her respective name. This Resolution now stands of record on the books of the Company, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Company's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, I have hereunto set my hand and attest that the signature set opposite the name listed above is his or her genuine signature.

I have read all the provisions of this Resolution, and I personally and on behalf of the Company certify that all statements and representations made in this Resolution are true and correct. This Limited Liability Company Resolution to Grant Collateral / Guarantee is dated April 4, 2017.

CERTIFIED TO AND ATTESTED BY:

X 
Gina Champion-Cain, Managing Member of ANI
Development, LLC, a California limited liability
company

NOTE: If the manager signing this Resolution is designated by the foregoing document as one of the members authorized to act on the Company's behalf, it is advisable to have this Resolution signed by at least one non-authorized member of the Company.

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RESOLUTION OF LIMITED LIABILITY COMPANY MEMBER

Principal	Loan Date	Maturity	Loan No.	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	09-10-2018	52246			PA	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

Company: Kim Funding, LLC, a California limited liability company
3550 Camino Del Rio North, Suite 200
San Diego, CA 92108

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

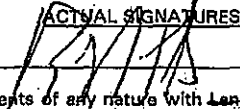
ORGANIZATION. The Company is a limited liability company which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California. The Company is duly authorized to transact business in all other states in which the Company is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Company is doing business. Specifically, the Company is, and at all times shall be, duly qualified as a foreign limited liability company in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Company has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Company maintains an office at 3550 Camino Del Rio North, Suite 200, San Diego, CA 92108. Unless the Company has designated otherwise in writing, the principal office is the office at which the Company keeps its books and records including its records concerning the Collateral. The Company will notify Lender prior to any change in the location of the Company's state of organization or any change in the Company's name. The Company shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Company and the Company's business activities.

RELATIONSHIP TO BORROWER AND GRANTOR. The Company is a Member in ANI License Fund, LLC, a California limited liability company. ANI License Fund, LLC, a California limited liability company has applied or will be applying to SAN DIEGO PRIVATE BANK ("Lender") for a loan or loans and other financial accommodations from Lender and has agreed to grant collateral for a loan or loans and other financial accommodations from Lender to ANI License Fund, LLC, a California limited liability company, including those which may be described on any exhibit or schedule attached to this Resolution. The Company has considered the value of ANI License Fund, LLC, a California limited liability company obtaining the financial accommodations described above and granting the collateral.

AUTHORIZATION TO BE A MEMBER. The Company is authorized to be and become a Member in the Limited Liability Company named ANI License Fund, LLC, a California limited liability company, whose office is at 3515 Hancock Street, Suite 200, San Diego, CA 92110.

RESOLUTIONS ADOPTED. At a meeting of the members of the Company, duly called and held on _____, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

MANAGER. The following named person is a manager of Kim Funding, LLC, a California limited liability company:

NAMES	TITLES	AUTHORIZED	ACTUAL SIGNATURES
Kim H. Peterson	Manager	Y X	

ACTIONS AUTHORIZED. The authorized person listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Company. Specifically, but without limitation, the authorized person is authorized, empowered, and directed to do the following for and on behalf of the Company:

Execute Documents. As Member of ANI License Fund, LLC, a California limited liability company, to execute and deliver to Lender the form of Limited Liability Company Resolution and other loan documents submitted by Lender, confirming the nature and existence of ANI License Fund, LLC, a California limited liability company, including the Company's participation in ANI License Fund, LLC, a California limited liability company as a Member, and evidencing the terms of the loan from Lender to ANI License Fund, LLC, a California limited liability company.

Authorize Managers. To authorize other managers or employees of the Company, from time to time, to act in his or her stead or as his or her successors on behalf of the Company as Member in ANI License Fund, LLC, a California limited liability company.

Further Acts. In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements as the manager may in his or her discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution. The following person or persons are authorized to request advances and authorize payments under the line of credit until Lender receives from the Company, at Lender's address shown above, written notice of revocation of such authority: Gina Champion-Cain and Kim H. Peterson.

NOTICES TO LENDER. The Company will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Company's name; (B) change in the Company's assumed business name(s); (C) change in the management or in the Managers of the Company; (D) change in the authorized signers; (E) change in the Company's principal office address; (F) change in the Company's state of organization; (G) conversion of the Company to a new or different type of business entity; or (H) change in any other aspect of the Company that directly or indirectly relates to any agreements between the Company and Lender. No change in the Company's name or state of organization will take effect until after Lender has received notice.

PARTICIPATION AUTHORIZED. The Company's participation in ANI License Fund, LLC, a California limited liability company as a Member and the execution, delivery, and performance of the documents described herein have been duly authorized by all necessary action by the Company and do not conflict with, result in a violation of, or constitute a default under (A) any provision of its articles of organization, or any agreement or other instrument binding upon the Company or (B) any law, governmental regulation, court decree, or order applicable to the Company.

CERTIFICATION CONCERNING MANAGERS AND RESOLUTIONS. The manager named above is duly elected, appointed, or employed by or for the Company, as the case may be, and occupies the position set opposite his or her respective name. This Resolution now stands of record on the books of the Company, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are

**RESOLUTION OF LIMITED LIABILITY COMPANY MEMBER
(Continued)**

Loan No: 52246

Page 2

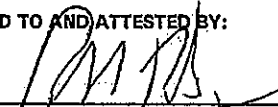
hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Company's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, I have hereunto set my hand and attest that the signature set opposite the name listed above is his or her genuine signature.

I have read all the provisions of this Resolution, and I personally and on behalf of the Company certify that all statements and representations made in this Resolution are true and correct. This Resolution of Limited Liability Company Member is dated April 4, 2017.

CERTIFIED TO AND ATTESTED BY:

X


Kim H. Peterson, Manager of Kim Funding, LLC, a
California limited liability company

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RESOLUTION OF LIMITED LIABILITY COMPANY MEMBER

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	03-10-2018	52246			RA	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: SAN DIEGO PRIVATE BANK
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

Company: Kim Funding, LLC, a California limited liability company
3550 Camino Del Rio North, Suite 200
San Diego, CA 92108

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

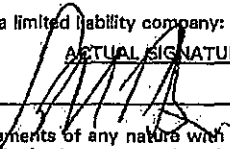
ORGANIZATION. The Company is a limited liability company which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California. The Company is duly authorized to transact business in all other states in which the Company is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Company is doing business. Specifically, the Company is, and at all times shall be, duly qualified as a foreign limited liability company in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Company has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Company maintains an office at 3550 Camino Del Rio North, Suite 200, San Diego, CA 92108. Unless the Company has designated otherwise in writing, the principal office is the office at which the Company keeps its books and records including its records concerning the Collateral. The Company will notify Lender prior to any change in the location of the Company's state of organization or any change in the Company's name. The Company shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Company and the Company's business activities.

RELATIONSHIP TO GRANTOR AND GUARANTOR. The Company is a Member in ANI Development, LLC, a California limited liability company. ANI Development, LLC, a California limited liability company has agreed to guaranty, and has agreed to grant collateral for a loan or loans and other financial accommodations from Lender, including those which may be described on any exhibit or schedule attached to this Resolution. The Company has considered the value of ANI Development, LLC, a California limited liability company guarantying such loans or financial accommodations and granting the collateral.

AUTHORIZATION TO BE A MEMBER. The Company is authorized to be and become a Member in the Limited Liability Company named ANI Development, LLC, a California limited liability company, whose office is at 3515 Hancock Street, Suite 200, San Diego, CA 92110.

RESOLUTIONS ADOPTED. At a meeting of the members of the Company, duly called and held on _____, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

MANAGER. The following named person is a manager of Kim Funding, LLC, a California limited liability company:

NAMES	TITLES	AUTHORIZED	ACTUAL SIGNATURES
Kim H. Peterson	Manager	Y X	

ACTIONS AUTHORIZED. The authorized person listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Company. Specifically, but without limitation, the authorized person is authorized, empowered, and directed to do the following for and on behalf of the Company:

Execute Documents. As Member of ANI Development, LLC, a California limited liability company, to execute and deliver to Lender the form of Limited Liability Company Resolution and other loan documents submitted by Lender, confirming the nature and existence of ANI Development, LLC, a California limited liability company, including the Company's participation in ANI Development, LLC, a California limited liability company as a Member, and evidencing the terms on which ANI Development, LLC, a California limited liability company will guarantee or act as surety for loans or other financial accommodations from Lender to ANI License Fund, LLC, a California limited liability company.

Authorize Managers. To authorize other managers or employees of the Company, from time to time, to act in his or her stead or as his or her successors on behalf of the Company as Member in ANI Development, LLC, a California limited liability company.

Further Acts. To do and perform such other acts and things and to execute and deliver such other documents and agreements as the manager may in his or her discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution.

NOTICES TO LENDER. The Company will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Company's name; (B) change in the Company's assumed business name(s); (C) change in the management or in the Managers of the Company; (D) change in the authorized signer(s); (E) change in the Company's principal office address; (F) change in the Company's state of organization; (G) conversion of the Company to a new or different type of business entity; or (H) change in any other aspect of the Company that directly or indirectly relates to any agreements between the Company and Lender. No change in the Company's name or state of organization will take effect until after Lender has received notice.

PARTICIPATION AUTHORIZED. The Company's participation in ANI Development, LLC, a California limited liability company as a Member and the execution, delivery, and performance of the documents described herein have been duly authorized by all necessary action by the Company and do not conflict with, result in a violation of, or constitute a default under (A) any provision of its articles of organization, or any agreement or other instrument binding upon the Company or (B) any law, governmental regulation, court decree, or order applicable to the Company.

CERTIFICATION CONCERNING MANAGERS AND RESOLUTIONS. The manager named above is duly elected, appointed, or employed by or for the Company, as the case may be, and occupies the position set opposite his or her respective name. This Resolution now stands of record on the books of the Company, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Company's agreements or commitments in effect at the time notice is

**RESOLUTION OF LIMITED LIABILITY COMPANY MEMBER
(Continued)**

Loan No: 52246

Page 2


given.

IN TESTIMONY WHEREOF, I have hereunto set my hand and attest that the signature set opposite the name listed above is his or her genuine signature.

I have read all the provisions of this Resolution, and I personally and on behalf of the Company certify that all statements and representations made in this Resolution are true and correct. This Resolution of Limited Liability Company Member is dated April 4, 2017.

CERTIFIED TO AND ATTESTED BY:

X


Kim H. Peterson, Manager of Kim Funding, LLC, a
California limited liability company

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CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No.	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	06-10-2019	52246			EAC	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: CalPrivate Bank
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

Principal Amount: \$12,500,000.00

Initial Rate: 8.000%

Date of Agreement: June 27, 2018

DESCRIPTION OF EXISTING INDEBTEDNESS.

Promissory Note dated September 9, 2015 in the original Principal Amount of \$5,000,000.00 as modified by Change in Terms Agreement dated June 20, 2016 in the amount of \$7,500,000.00 and Change in Terms Agreements dated April 4, 2017 and March 6, 2018 in the Principal Amount to \$12,500,000.00; together with all renewals, extensions and modifications related thereto (the "Note").

DESCRIPTION OF COLLATERAL.

Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264001 (ANI License Fund, LLC) and Commercial Security Agreement dated September 9, 2015 perfected by UCC Financing Statement filed September 10, 2015 as filing #15-7484264485 (ANI Development, LLC).

DESCRIPTION OF CHANGE IN TERMS.

The Note is hereby modified as follows:

1. The date on which all outstanding principal is due and payable together with any accrued but unpaid interest (the "Maturity Date") is hereby extended from June 10, 2018 to June 10, 2019.

The Business Loan Agreement is hereby modified as follows:

1. Borrower to provide, on a quarterly basis, statements from Chicago Title with the names and amounts of CalPrivate Bank advances.

2. The section entitled LOAN ADVANCES is hereby modified and restated as follows:

The date on which each Advance shall be repaid (the "Due Date") shall be three Business Days following the earliest of (1) the date License Applicant delivers to Escrow Holder the License Applicant's funds to replace the principal amount of the Advance, (2) the date the License Applicant's license transfer escrow is terminated because the ABC disapproved the License Applicant's transfer application, or (3) the date that is 300 days after the Loan Date for such Advance and the Escrow has been terminated by both ANI License Fund, LLC and CalPrivate Bank.

All other terms and conditions shall remain the same.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on June 10, 2019. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning July 10, 2018, with all subsequent interest payments to be due on the same day of each month after that.

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the U. S. Prime Rate as published in the Money Rates section of the Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 5.000% per annum. Interest on the unpaid principal balance of this loan will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 3.000 percentage points over the Index, resulting in an initial rate of 8.000%. NOTICE: Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this loan is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year (365 for all years, including leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this loan is computed using this method.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

COUNTERPARTS. This document may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same document.

CHANGE IN TERMS - GUARANTOR ACKNOWLEDGEMENT. An acknowledgment titled "Change in Terms - Guarantor Acknowledgement" is attached to this Agreement and by this reference is made a part of this Agreement just as if all the provisions, terms and conditions of the acknowledgment had been fully set forth in this Agreement.

**CHANGE IN TERMS AGREEMENT
(Continued)**

Loan No: 52246

Page 2

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By:

Gina Champion-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By:

Kim H. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

LENDER:

CALPRIVATE BANK

X

Authorized Signer

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CHANGE IN TERMS - GUARANTOR ACKNOWLEDGMENT

Principal	Loan Date	Maturity	Loan No.	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	06-10-2019	52246			EAC	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "****" has been omitted due to text length limitations.

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: CalPrivate Bank
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

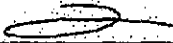
This Acknowledgment is attached to and by this reference is made a part of the Change in Terms Agreement, dated June 27, 2018 and executed in connection with a loan or other financial accommodations between CALPRIVATE BANK and ANI License Fund, LLC, a California limited liability company and Guarantors signing below.

Guarantors have reviewed the Change in Terms Agreement dated June 27, 2018 (the "Agreement") and hereby consent to its execution by Borrower. Guarantors acknowledge and agree that: (a) The execution of the Agreement shall not impair, limit, abrogate or reduce in any manner or to any extent the obligations of Guarantors under the Guaranty; and (b) Lender would not enter into the Agreement without the execution and delivery of this consent. Guarantors acknowledge and agree that, notwithstanding the execution of the Agreement: (a) Guarantors remain liable under and pursuant to the Guaranty to the fullest extent as if the original provisions of the Related Documents were as reflected in the Related Documents as modified by the Agreement; (b) Each provision of the Guaranty remains unaffected and unchanged and in full force and effect, and (c) Guarantors hereby renew, reaffirm, ratify and confirm the Guaranty.

This document may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same document.


GUARANTOR:

ANI DEVELOPMENT, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: 
Gina Champion-Cain, Managing Member of ANI Development, LLC, a California limited liability company


X 
Kim H. Peterson, Individually

PETERSON FAMILY TRUST DATED 4/14/92

By: 
Kim H. Peterson, Trustee of Peterson Family Trust dated 4/14/92

X 
Gina Champion-Cain, Individually

THE GINA CHAMPION-CAIN REVOCABLE TRUST AGREEMENT DATED JUNE 26, 2012 AND AMENDED MARCH 23, 2015

By: 
Gina Champion-Cain, Trustee of The Gina Champion-Cain Revocable Trust Agreement dated June 26, 2012 and amended March 23, 2015

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CHANGE IN TERMS - GUARANTOR ACKNOWLEDGMENT

Principal	Loan Date	Maturity	Loan No.	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	06-10-2019	52246			EAC	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: CalPrivate Bank
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

This Acknowledgment is attached to and by this reference is made a part of the Change in Terms Agreement, dated June 27, 2018 and executed in connection with a loan or other financial accommodations between CALPRIVATE BANK and ANI License Fund, LLC, a California limited liability company and Guarantors signing below.

Guarantors have reviewed the Change in Terms Agreement dated June 27, 2018 (the "Agreement") and hereby consent to its execution by Borrower. Guarantors acknowledge and agree that: (a) The execution of the Agreement shall not impair, limit, abrogate or reduce in any manner or to any extent the obligations of Guarantors under the Guaranty; and (b) Lender would not enter into the Agreement without the execution and delivery of this consent. Guarantors acknowledge and agree that, notwithstanding the execution of the Agreement: (a) Guarantors remain liable under and pursuant to the Guaranty to the fullest extent as if the original provisions of the Related Documents were as reflected in the Related Documents as modified by the Agreement; (b) Each provision of the Guaranty remains unaffected and unchanged and in full force and effect, and (c) Guarantors hereby renew, reaffirm, ratify and confirm the Guaranty.

This document may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same document.


GUARANTOR:

ANI DEVELOPMENT, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: Gina Champion-Cain, Managing Member of ANI Development, LLC, a California limited liability company

X 
Kim H. Peterson, individually

PETERSON FAMILY TRUST DATED 4/14/92

By: 
Kim H. Peterson, Trustee of Peterson Family Trust dated 4/14/92

X Gina Champion-Cain, individually

THE GINA CHAMPION-CAIN REVOCABLE TRUST AGREEMENT DATED JUNE 26, 2012 AND AMENDED MARCH 23, 2015

By: Gina Champion-Cain, Trustee of The Gina Champion-Cain Revocable Trust Agreement dated June 26, 2012 and amended March 23, 2015

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DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$12,500,000.00	09-09-2015	06-10-2019	52246			EAC	<i>[Signature]</i>

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "*****" has been omitted due to text length limitations.

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: CalPrivate Bank
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

LOAN TYPE. This is a Variable Rate Nondisclosable Revolving Line of Credit Loan to a Limited Liability Company for \$12,500,000.00 due on June 10, 2019. This is a secured renewal loan.

PRIMARY PURPOSE OF LOAN. The primary purpose of this loan is for:

- ☐ Personal, Family, or Household Purposes or Personal Investment.
☒ Business (including Real Estate Investment).

SPECIFIC PURPOSE. The specific purpose of this loan is: Renewal.

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$12,500,000.00 as follows:

Undisbursed Funds:	\$20,000.00
Other Disbursements:	\$12,480,000.00
\$12,480,000.00 Current Principal Balance	
Note Principal:	\$12,500,000.00

CHARGES PAID IN CASH. Borrower has paid or will pay in cash as agreed the following charges:

Prepaid Finance Charges Paid In Cash:	\$2,000.00
\$2,000.00 Loan Fee	
Total Charges Paid In Cash:	\$2,000.00

AUTOMATIC PAYMENTS. Borrower hereby authorizes Lender automatically to deduct from Borrower's account, numbered 219355, the amount of any loan payment. If the funds in the account are insufficient to cover any payment, Lender shall not be obligated to advance funds to cover the payment. At any time and for any reason, Borrower or Lender may voluntarily terminate Automatic Payments.

COUNTERPARTS. This document may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same document.

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED JUNE 27, 2018.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: *[Signature]*
Gina Champion-Cain, Manager of ANI License Fund,
LLC, a California limited liability company

By: *[Signature]*
Kim H. Peterson, Manager of ANI License Fund,
LLC, a California limited liability company

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DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Can	Account	Officer	Initials
\$12,500,000.00	09-09-2015	06-10-2019	52246			EAC	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: ANI License Fund, LLC, a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

Lender: CalPrivate Bank
San Diego Office
550 West C Street, Suite 110
San Diego, CA 92101

LOAN TYPE. This is a Variable Rate Nondisclosable Revolving Line of Credit Loan to a Limited Liability Company for \$12,500,000.00 due on June 10, 2019. This is a secured renewal loan.

PRIMARY PURPOSE OF LOAN. The primary purpose of this loan is for:

- ☐ Personal, Family, or Household Purposes or Personal Investment.
☒ Business (including Real Estate Investment).

SPECIFIC PURPOSE. The specific purpose of this loan is: Renewal.

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$12,500,000.00 as follows:

Undisbursed Funds:	\$20,000.00
Other Disbursements:	\$12,480,000.00
\$12,480,000.00 Current Principal Balance	
Note Principal:	\$12,500,000.00

CHARGES PAID IN CASH. Borrower has paid or will pay in cash as agreed the following charges:

Prepaid Finance Charges Paid in Cash:	\$2,000.00
\$2,000.00 Loan Fee	
Total Charges Paid in Cash:	\$2,000.00

AUTOMATIC PAYMENTS. Borrower hereby authorizes Lender automatically to deduct from Borrower's account, numbered 219355, the amount of any loan payment. If the funds in the account are insufficient to cover any payment, Lender shall not be obligated to advance funds to cover the payment. At any time and for any reason, Borrower or Lender may voluntarily terminate Automatic Payments.

COUNTERPARTS. This document may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same document.

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED JUNE 27, 2018.

BORROWER:

ANI LICENSE FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY


By: Gina Champion-Cain, Manager of ANI License Fund, LLC, a California limited liability company

By:  Kim A. Peterson, Manager of ANI License Fund, LLC, a California limited liability company

Loan No. 52246 Orig. Terms USA Collection 1987-2019 All Rights Reserved. CA 04484002/MLP/2018 06/28/2018

EXHIBIT 29

PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$25,000,000.00	11-02-2017	11-10-2020	41613			51532	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: Kim Funding, LLC
12626 High Bluff Drive, Suite 300
San Diego, CA 92130

Lender: Banc of California, National Association
Business Banking - Los Angeles Office
601 S. Figueroa Street, Suite 2800
Los Angeles, CA 90017

Principal Amount: \$25,000,000.00

Date of Note: November 2, 2017

PROMISE TO PAY. Kim Funding, LLC ("Borrower") promises to pay to Banc of California, National Association ("Lender"), or order, in lawful money of the United States of America, the principal amount of Twenty-five Million & 00/100 Dollars (\$25,000,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on November 10, 2020. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning December 10, 2017, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied to any accrued unpaid interest; then to principal; and then to any late charges, fees and costs. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an Independent Index which is the The Prime Rate, as published in the Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The index currently is 4.250% per annum. Interest on the unpaid principal balance of this Note will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 1.250 percentage points over the Index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 5.500%. NOTICE: Under no circumstances will the interest rate on this Note be less than 3.500% per annum or more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

ANNUAL FEE. Borrower will be required to pay the annual fee of 0.25% of the loan commitment.

LATE CHARGE. If a payment is 11 days or more late, Borrower will be charged 5.000% of the unpaid portion of the regularly scheduled payment or \$5.00, whichever is greater.

INTEREST AFTER DEFAULT. Upon default, at Lender's option, and if permitted by applicable law, Lender may add any unpaid accrued interest to principal and such sum will bear interest therefrom until paid at the rate provided in this Note (including any increased rate). Upon default, the interest rate on this Note shall, if permitted under applicable law, immediately increase by adding an additional 5.000 percentage point margin ("Default Rate Margin"). The Default Rate Margin shall also apply to each succeeding interest rate change that would have applied had there been no default.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This

PROMISSORY NOTE

Loan No: 41613

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Includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment, is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

JUDICIAL REFERENCE. To the extent the waiver of the right to a jury trial is not enforceable in any proceeding, the parties hereto agree that any claim shall be determined by a judicial reference proceeding in accordance with the provisions of California Code of Civil Procedure Sections 638 et seq. The parties intend this section on judicial reference to be specifically enforceable. Venue for the reference proceeding shall be in the County of Orange, California. Upon the written request of any party, the parties shall select a single referee, who shall be a retired California state or federal court judge or justice. If the parties do not agree upon a referee within 10 days of such written request, then any party shall have the right to request the court in Orange County, California to appoint a referee pursuant to California Code of Civil Procedure Section 640(b). The referee shall be appointed to sit with all of the powers provided by law. The parties shall not seek to appoint a referee that may be disqualified pursuant to California Code of Civil Procedure sections 641 or 641.2 without the prior written consent of all parties. Except as expressly set forth in this Agreement, the referee shall determine the manner in which the reference proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the reference proceeding. The referee may require one or more prehearing conferences. The parties hereto shall be entitled to discovery, and the referee shall oversee discovery in accordance with the rules of discovery, and shall enforce all discovery orders in the same manner as any trial court judge in proceedings at law in the State of California. The referee shall conduct the proceedings in accordance with California Code of Civil Procedure, the Rules of Court, and California Evidence Code, except as otherwise specifically agreed by the parties and approved by the referee, and the referee shall determine all issues in accordance with California substantive and procedural law. Each party acknowledges and agrees that the appointed referee shall have the power to decide all issues in the applicable action or proceeding, whether of fact or law. The referee shall be empowered to enter equitable as well as legal relief and rule on any motion which would be authorized in a trial, including motions to dismiss, motions for default judgment, or motions for summary judgment.

The referee shall report his or her decision, which report shall also include findings of fact and conclusions of law. The referee shall issue a decision, and pursuant to California Code of Civil Procedure Sections 644 and 645, the referee's decision shall be entered by any court of competent jurisdiction as a judgment in the same manner as if the action had been tried by the court. The final judgment or order from any appealable decision or order entered by the referee shall be fully appealable as if it has been entered by the court of competent jurisdiction. The parties recognize and agree that all claims resolved in a judicial reference proceeding pursuant hereto will be decided by a referee and not by a jury. This Agreement constitutes a "reference agreement" between the parties within the meaning of and for purposes of California Code of Civil Procedure Section 638. Notwithstanding the foregoing, Lender may, in its sole and absolute discretion, commence any action in any court having the proper jurisdiction for that action to enforce its rights and remedies under this Agreement and/or the Loan Documents. The parties consent to the jurisdiction of the courts in Orange County, California, or at Lender's request, in any jurisdiction where any collateral for the loan is located. The parties irrevocably and unconditionally submit to the jurisdiction (both subject matter and personal) of each such court and irrevocably and unconditionally waive: (a) any objection the parties might now or hereafter have to the venue in any such court; and (b) any claim that any action or proceeding brought in any such court has been brought in an inconvenient forum. The parties agree and consent that Lender may serve legal papers on the other parties by registered or certified mail, which shall be sufficient to obtain jurisdiction.

Notwithstanding the appointment of the referee or pending the appointment of the referee, the Orange County superior court, or any court of competent jurisdiction, shall have the power to issue temporary, injunctive, or provisional remedies. Nothing herein shall be deemed to apply to or limit the right of Lender to (a) exercise self-help remedies such as, but not limited to, setoff or recoupment, (b) foreclose judicially or nonjudicially against any real or personal property or collateral, or to exercise judicial or nonjudicial power of sale rights, (c) obtain from any court of competent jurisdiction temporary, provisional or ancillary remedies (including, but not limited to, injunctive relief, writs of possession, prejudgment attachment, writs of attachment, garnishment, temporary restraining orders, preliminary injunctions, a protective order or the appointment of a receiver), and/or (d) pursue rights against a party in a third-party proceeding in any action brought against Lender (including actions in bankruptcy court). Lender may exercise the rights set forth in the foregoing clauses (a) through (d), inclusive, before, during, or after the pendency of any judicial reference proceeding. This Agreement does not limit the right of any party to exercise or oppose any of the rights and remedies described in clauses (a) through (d) and any such exercise or opposition does not waive the right of any party, including, but not limited to, the claimant in any such action, to require submission to judicial reference the underlying merits of the claim occasioning resort to such remedies pursuant to this Agreement. At any time upon Lender's request, the parties agree to submit to a judicial reference proceeding. For avoidance of doubt, if an action is commenced in a court and Lender requests for submission to a judicial reference proceeding on the merits of the claims subject to such action, the parties agree to solve such claims under the judicial

PROMISSORY NOTE

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reference proceeding pursuant to this Agreement.

No provision in the Loan Documents regarding submission to jurisdiction and/or venue in any court is intended or shall be construed to be in derogation of the provisions in any Loan Document for judicial reference of any claim. If a claim includes multiple causes of action, some of which are found not to be subject to this Agreement, the parties shall stay the proceedings of the causes of action or part or parts thereof not subject to this Agreement until all other claims subject to this Agreement or parts thereof are resolved in accordance with this Agreement. If there are claims by or against multiple parties, some of which are not subject to this Agreement, the parties shall sever the claims subject to this Agreement and resolve them in accordance with this Agreement. Any party to this Agreement may file an original counterpart or a copy of this section with any court as written evidence of the consent of the parties hereto to the waiver of their right to trial by jury and the agreements contained herein regarding the application of judicial reference in the event of the invalidity of such jury trial waiver.

All fees and costs incurred in relation to the judicial reference proceeding shall be paid in accordance with the section titled Attorneys' Fees; Expenses in the loan documents. The compensation of the referee shall not exceed the prevailing rate for like services.

GOVERNING LAW. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of California.

REQUIREMENTS FOR ADVANCES.

- a) Loan Advance Request Form signed by an authorized officer of the Borrower with a minimum amount of \$250,000.00.
- b) Verification Form from Chicago Title Company that the escrow is open and Chicago Title Company is requesting for funding. The Verification Form needs to include: ABC License Number associated with loan advance and the amount must be equal to loan advance amount. Lender listed as having ownership of the deposit and is the Sole Beneficiary on the Escrow Agreement. The Escrow amount must equal to loan advance amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. To the extent permitted by applicable law, Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Orange County, State of California.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of \$35.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

COLLATERAL.

Borrower is a party to that certain Funding Agreement, dated as of January 16, 2015, between Borrower and ANi Development, LLC. ("Grantor"), providing for the establishment of escrow accounts by Grantor from time to time with Chicago Title, a California corporation ("Escrow Holder") in connection with the representation by Grantor of applicants for a transfer of a license by the California Department of Alcohol Beverage Control, and the funding of such escrow accounts by Borrower. In connection with the Loan by Lender to Borrower, and for valuable consideration, Grantor executed that certain Commercial Security Agreement, dated as of November 2, 2017, granting to Lender a security interest in the following Collateral to secure the indebtedness, and Borrower acknowledges this Note is secured by the following collateral:

(A) All Escrow Accounts funded by Lender and established from time to time on or after this date by Grantor with Chicago Title, a California Corporation, in connection with the representation by Grantor of applicants for a transfer of a license by the California Department of Alcohol Beverage Control, and the funding of such escrow accounts by Borrower and general intangibles described in a Commercial Security Agreement dated November 2, 2017.

(B) deposit accounts described in an Assignment of Deposit Account dated November 2, 2017.

LINE OF CREDIT. This Note evidences a revolving line of credit. Advances under this Note may be requested orally by Borrower or as provided in this paragraph. All oral requests shall be confirmed in writing on the day of the request. All communications, instructions, or directions by telephone or otherwise to Lender are to be directed to Lender's office shown above. The following person or persons are authorized to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of such authority: Kim Peterson, Manager of Kim Funding, LLC. Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs.

COUNTERPART. This agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same agreement.

FACSIMILE OR ELECTRONIC MAIL DOCUMENTS INDEMNIFICATION. In accepting delivery of this document by method of fax transmission or electronic mail, and by affixing your signature upon all or any portion of this document, you hereby consent and agree to the following: The undersigned hereby waives any right, claim, or the defense that the incompleteness of any documentation received by fax transmission or electronic mail (the "Faxed or Email Document"), in comparison to the originally transmitted document from which the fax or email was generated or issued (the "Original Document"), resulted in damages by way of such incomplete document; or would have caused the undersigned not to sign this document had the undersigned been aware of additional verbiage, terms or conditions that are contained in the Original Document from which the fax or email was issued (the "Purported Missing Terms"). By affixing your signature upon all or any portion of the Faxed or Emailed Document, the undersigned further agrees to be bound by the Purported Missing Terms as if they had appeared in the Faxed or Emailed Document. Should the undersigned have any reason to

PROMISSORY NOTE

Loan No: 41613

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believe that Purported Missing Terms exist between the Original Document and the Faxed or Emailed Document, the undersigned shall immediately notify Lender of any such Purported Missing Terms.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Borrower may notify Lender if Lender reports any inaccurate information about Borrower's account(s) to a consumer reporting agency. Borrower's written notice describing the specific inaccuracy(ies) should be sent to Lender at the following address: Banc of California, National Association Loan Servicing 3 MacArthur Place Santa Ana, CA 92707.

ADDITIONAL INFORMATION. Borrower covenants and agrees with Lender that, so long as this Note remains in effect, Borrower will furnish such additional information and statements, as Lender may request from time to time.

GENERAL PROVISIONS. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive any applicable statute of limitations, presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.


BORROWER:

KIM FUNDING, LLC

By: 

Kim Peterson, Manager of Kim Funding, LLC

BUSINESS LOAN AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$25,000,000.00	11-02-2017	11-10-2020	41613			51532	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Borrower: Kim Funding, LLC
12626 High Bluff Drive, Suite 300
San Diego, CA 92130

Lender: Banc of California, National Association
Business Banking - Los Angeles Office
601 S. Figueroa Street, Suite 2800
Los Angeles, CA 90017

THIS BUSINESS LOAN AGREEMENT dated November 2, 2017, is made and executed between Kim Funding, LLC ("Borrower") and Banc of California, National Association ("Lender") on the following terms and conditions. Borrower has received prior commercial loans from Lender or has applied to Lender for a commercial loan or loans or other financial accommodations, including those which may be described on any exhibit or schedule attached to this Agreement. Borrower understands and agrees that: (A) in granting, renewing, or extending any Loan, Lender is relying upon Borrower's representations, warranties, and agreements as set forth in this Agreement; (B) the granting, renewing, or extending of any Loan by Lender at all times shall be subject to Lender's sole judgment and discretion; and (C) all such Loans shall be and remain subject to the terms and conditions of this Agreement.

TERM. This Agreement shall be effective as of November 2, 2017, and shall continue in full force and effect until such time as all of Borrower's Loans in favor of Lender have been paid in full, including principal, interest, costs, expenses, attorneys' fees, and other fees and charges, or until such time as the parties may agree in writing to terminate this Agreement.

ADVANCE AUTHORITY. The following person or persons are authorized to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of such authority: **Kim Peterson, Manager of Kim Funding, LLC.**

CONDITIONS PRECEDENT TO EACH ADVANCE. Lender's obligation to make the Initial Advance and each subsequent Advance under this Agreement shall be subject to the fulfillment to Lender's satisfaction of all of the conditions set forth in this Agreement and in the Related Documents.

Loan Documents. Borrower shall provide to Lender the following documents for the Loan: (1) the Note; (2) Security Agreements granting to Lender security interests in the Collateral; (3) financing statements and all other documents perfecting Lender's Security Interests; (4) evidence of insurance as required below; (5) guaranties; (6) together with all such Related Documents as Lender may require for the Loan; all in form and substance satisfactory to Lender and Lender's counsel. In addition, ANI Development, LLC ("Grantor") shall provide to Lender that certain Commercial Security Agreement dated as of November 2, 2017 (the "Commercial Security Agreement"), pursuant to which Grantor grants Lender a security interest in all Escrow Accounts funded by Lender and established from time to time on or after this date by Grantor with Chicago Title, a California corporation ("Escrow Holder"), in connection with the representation by Grantor of applicants for a transfer of a license by the California Department of Alcohol Beverage Control, and the funding of such escrow accounts by Borrower. Prior to each Advance, Borrower shall also provide Lender with a Loan Request together with a copy of an Escrow Agreement executed between Grantor and Escrow Holder.

Borrower's Authorization. Borrower shall have provided in form and substance satisfactory to Lender properly certified resolutions, duly authorizing the execution and delivery of this Agreement, the Note and the Related Documents. In addition, Borrower shall have provided such other resolutions, authorizations, documents and instruments as Lender or its counsel, may require.

Payment of Fees and Expenses. Borrower shall have paid to Lender all fees, charges, and other expenses which are then due and payable as specified in this Agreement or any Related Document.

Representations and Warranties. The representations and warranties set forth in this Agreement, in the Related Documents, and in any document or certificate delivered to Lender under this Agreement are true and correct.

No Event of Default. There shall not exist at the time of any Advance a condition which would constitute an Event of Default under this Agreement or under any Related Document, or any Event of Default by Grantor under the Commercial Security Agreement.

REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants to Lender, as of the date of this Agreement, as of the date of each disbursement of loan proceeds, as of the date of any renewal, extension or modification of any Loan, and at all times any indebtedness exists:

Organization. Borrower is a limited liability company which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California. Borrower is duly authorized to transact business in all other states in which Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which Borrower is doing business. Specifically, Borrower is, and at all times shall be, duly qualified as a foreign limited liability company in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. Borrower maintains an office at 12626 High Bluff Drive, Suite 300, San Diego, CA 92130. Unless Borrower has designated otherwise in writing, the principal office is the office at which Borrower keeps its books and records including its records concerning the Collateral. Borrower will notify Lender prior to any change in the location of Borrower's state of organization or any change in Borrower's name. Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental

BUSINESS LOAN AGREEMENT

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authority or court applicable to Borrower and Borrower's business activities.

Assumed Business Names. Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by Borrower. Excluding the name of Borrower, the following is a complete list of all assumed business names under which Borrower does business: None.

Authorization. Borrower's execution, delivery, and performance of this Agreement and all the Related Documents have been duly authorized by all necessary action by Borrower and do not conflict with, result in a violation of, or constitute a default under (1) any provision of (a) Borrower's articles of organization or membership agreements, or (b) any agreement or other instrument binding upon Borrower or (2) any law, governmental regulation, court decree, or order applicable to Borrower or to Borrower's properties.

Financial Information. Each of Borrower's financial statements supplied to Lender truly and completely disclosed Borrower's financial condition as of the date of the statement, and there has been no material adverse change in Borrower's financial condition subsequent to the date of the most recent financial statement supplied to Lender. Borrower has no material contingent obligations except as disclosed in such financial statements.

Legal Effect. This Agreement constitutes, and any instrument or agreement Borrower is required to give under this Agreement when delivered will constitute legal, valid, and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms.

Properties. Except as contemplated by this Agreement or as previously disclosed in Borrower's financial statements or in writing to Lender and as accepted by Lender, and except for property tax liens for taxes not presently due and payable, Borrower owns and has good title to all of Borrower's properties free and clear of all Security Interests, and has not executed any security documents or financing statements relating to such properties. All of Borrower's properties are titled in Borrower's legal name, and Borrower has not used or filed a financing statement under any other name for at least the last five (5) years.

Hazardous Substances. Except as disclosed to and acknowledged by Lender in writing, Borrower represents and warrants that: (1) During the period of Borrower's ownership of the Collateral, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from any of the Collateral. (2) Borrower has no knowledge of, or reason to believe that there has been (a) any breach or violation of any Environmental Laws; (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Collateral by any prior owners or occupants of any of the Collateral; or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters. (3) Neither Borrower nor any tenant, contractor, agent or other authorized user of any of the Collateral shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from any of the Collateral; and any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations, and ordinances, including without limitation all Environmental Laws. Borrower authorizes Lender and its agents to enter upon the Collateral to make such inspections and tests as Lender may deem appropriate to determine compliance of the Collateral with this section of the Agreement. Any inspections or tests made by Lender shall be at Borrower's expense and for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Borrower or to any other person. The representations and warranties contained herein are based on Borrower's due diligence in investigating the Collateral for hazardous waste and Hazardous Substances. Borrower hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Borrower becomes liable for cleanup or other costs under any such laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Agreement or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of a hazardous waste or substance on the Collateral. The provisions of this section of the Agreement, including the obligation to indemnify and defend, shall survive the payment of the indebtedness and the termination, expiration or satisfaction of this Agreement and shall not be affected by Lender's acquisition of any interest in any of the Collateral, whether by foreclosure or otherwise.

Litigation and Claims. No litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Borrower is pending or threatened, and no other event has occurred which may materially adversely affect Borrower's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by Lender in writing.

Taxes. To the best of Borrower's knowledge, all of Borrower's tax returns and reports that are or were required to be filed, have been filed, and all taxes, assessments and other governmental charges have been paid in full, except those presently being or to be contested by Borrower in good faith in the ordinary course of business and for which adequate reserves have been provided.

Lien Priority. Unless otherwise previously disclosed to Lender in writing, Borrower has not entered into or granted any Security Agreements, or permitted the filing or attachment of any Security Interests on or affecting any of the Collateral directly or indirectly securing repayment of Borrower's Loan and Note, that would be prior or that may in any way be superior to Lender's Security Interests and rights in and to such Collateral.

Binding Effect. This Agreement, the Note, all Security Agreements (if any), and all Related Documents are binding upon the signers thereof, as well as upon their successors, representatives and assigns, and are legally enforceable in accordance with their respective terms.

Right of Setoff. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts.

AFFIRMATIVE COVENANTS. Borrower covenants and agrees with Lender that, so long as this Agreement remains in effect, Borrower will:

Notices of Claims and Litigation. Promptly inform Lender in writing of (1) all material adverse changes in Borrower's financial condition, and (2) all existing and all threatened litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower or any Guarantor which could materially affect the financial condition of Borrower or the financial condition of any Guarantor.

Financial Records. Maintain its books and records, applied on a consistent basis, and permit Lender to examine and audit Borrower's books and records at all reasonable times.

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Financial Statements. Furnish Lender with the following:

Additional Requirements.

Borrower Tax Returns. As soon as available, but in no event later than forty five (45) days after the applicable filing date for the tax reporting period ended, Borrower to provide Lender with complete copies of Federal tax returns, including K-1's if applicable, signed by Borrower. Provide copies of extensions, if applicable.

Guarantor Tax Returns. As soon as available, but in no event later than forty five (45) days after the applicable filing date for the tax reporting period ended, ANI Development, LLC to provide Lender with complete copies of Federal tax returns, including K-1's if applicable, signed by ANI Development, LLC. Provide copies of extensions, if applicable.

Personal Tax Returns. As soon as available, but in no event later than forty five (45) days after the applicable filing date for the tax reporting period ended, Kim Peterson to provide Lender with complete copies of State tax returns, including K-1's if applicable, signed by Kim Peterson. Provide copies of extensions, if applicable.

Tax Returns. As soon as available, but in no event later than forty five (45) days after the applicable filing date for the tax reporting period ended, ABC Funding LLC, ABC Funding Strategies LLC, ANI Licenses Fund LLC, ABC Funding Strategies Management LLC, Aero Drive LLC, Aero Drive Three LC and Baltimore Drive LLC to provide Lender with complete copies of Federal tax returns, including K-1's if applicable, signed by ABC Funding LLC, ABC Funding Strategies LLC, ANI Licenses Fund LLC, ABC Funding Strategies Management LLC, Aero Drive LLC, Aero Drive Three LC and Baltimore Drive LLC. Provide copies of extensions, if applicable.

Personal Financial Statements. As soon as available, but in no event later than 5/30 of each year, Guarantor's detailed personal financial statement on Lender's form or other form satisfactory to Lender.

Escrow Reconciliation Statement. As soon as available, but in no event later than fifteen (15) days of each month end, Borrower to provide Lender with monthly Escrow Reconciliation Statement in format acceptable to Lender that shows outstanding escrows, escrow number, amount and designator lender responsible for each escrow.

All financial reports required to be provided under this Agreement, applied on a consistent basis, and certified by Borrower as being true and correct.

Additional Information. Furnish such additional information and statements, as Lender may request from time to time.

Additional Requirements.

Global Debt Service Coverage. Borrower and Kim Peterson shall maintain a combined minimum Global Debt Service Coverage ratio of 1.10 to 1.00 (measured annually). Global Debt Service Coverage is calculated by dividing the combined cash flow available to service debt for Borrower and Kim Peterson by the sum of all interest, current portion of long term debt, and current portion of capital leases for Borrower and Kim Peterson.

Real Estate Holding Companies: Gross rental and other recurring income generated by the subject property less cash expenses, cash dividends, cash distributions, net advances/loans to shareholders and related entities.

Corporate Entities: Cash flow available to service debt is the sum of net income, interest, depreciation, amortization, impairment, and other non-cash expenses less cash dividends, cash distributions, stock repurchases, current year advances/repayments to shareholders and related entities (net of repayments from shareholders and related entities, not to result in an addition to Cash Flow Available to Service Debt), unfinanced capital expenditures, and non-recurring income as determined by Lender in its sole discretion.

Liquidity. Borrower shall maintain a minimum of 1.60% of loan outstanding, up to \$400,000.00. Liquidity requirement shall never decrease, and once the liquidity reaches \$400,000.00, it will remain at that amount going forward.

Insurance. Maintain fire and other risk insurance, public liability insurance, and such other insurance as Lender may require with respect to Borrower's properties and operations, in form, amounts, coverages and with insurance companies acceptable to Lender. Borrower, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least thirty (30) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Borrower or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest for the Loans, Borrower will provide Lender with such lender's loss payable or other endorsements as Lender may require.

Insurance Reports. Furnish to Lender, upon request of Lender, reports on each existing insurance policy showing such information as Lender may reasonably request, including without limitation the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the properties insured; (5) the then current property values on the basis of which insurance has been obtained, and the manner of determining those values; and (6) the expiration date of the policy. In addition, upon request of Lender (however not more often than annually), Borrower will have an independent appraiser satisfactory to Lender determine, as applicable, the actual cash value or replacement cost of any collateral. The cost of such appraisal shall be paid by Borrower.

Guaranties. Prior to disbursement of any Loan proceeds, furnish executed guaranties of the Loans in favor of Lender, executed by the guarantors named below, on Lender's forms, and in the amounts and under the conditions set forth in those guaranties.

<u>Names of Guarantors</u>	<u>Amounts</u>
ANI Development, LLC	Unlimited
Kim Peterson	Unlimited

Other Agreements. Comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party and notify Lender immediately in writing of any default in connection with any other such agreements.

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Loan Proceeds. Loan proceeds shall be wired directly to Escrow Holder and used solely for Borrower's business operations, unless specifically consented to the contrary by Lender in writing.

Taxes, Charges and Liens. Pay and discharge when due all of its indebtedness and obligations, including without limitation all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon Borrower or its properties, income, or profits, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of Borrower's properties, income, or profits. Provided however, Borrower will not be required to pay and discharge any such assessment, tax, charge, levy, lien or claim so long as (1) the legality of the same shall be contested in good faith by appropriate proceedings, and (2) Borrower shall have established on Borrower's books adequate reserves with respect to such contested assessment, tax, charge, levy, lien, or claim in accordance with GAAP.

Performance. Perform and comply, in a timely manner, with all terms, conditions, and provisions set forth in this Agreement, in the Related Documents, and in all other instruments and agreements between Borrower and Lender. Borrower shall notify Lender immediately in writing of any default in connection with any agreement.

Operations. Maintain executive and management personnel with substantially the same qualifications and experience as the present executive and management personnel; provide written notice to Lender of any change in executive and management personnel; conduct its business affairs in a reasonable and prudent manner.

Environmental Studies. Promptly conduct and complete, at Borrower's expense, all such investigations, studies, samplings and testings as may be requested by Lender or any governmental authority relative to any substance, or any waste or by-product of any substance defined as toxic or a hazardous substance under applicable federal, state, or local law, rule, regulation, order or directive, at or affecting any property or any facility owned, leased or used by Borrower.

Compliance with Governmental Requirements. Comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the conduct of Borrower's properties, businesses and operations, and to the use or occupancy of the Collateral, including without limitation, the Americans With Disabilities Act. Borrower may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Borrower has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Collateral are not jeopardized. Lender may require Borrower to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Inspection. Permit employees or agents of Lender at any reasonable time to inspect any and all Collateral for the Loan or Loans and Borrower's other properties and to examine or audit Borrower's books, accounts, and records and to make copies and memoranda of Borrower's books, accounts, and records. If Borrower now or at any time hereafter maintains any records (including without limitation computer generated records and computer software programs for the generation of such records) in the possession of a third party, Borrower, upon request of Lender, shall notify such party to permit Lender free access to such records at all reasonable times and to provide Lender with copies of any records it may request, all at Borrower's expense.

Compliance Certificates. Unless waived in writing by Lender, provide Lender at least annually, with a certificate executed by Borrower's chief financial officer, or other officer or person acceptable to Lender, certifying that the representations and warranties set forth in this Agreement are true and correct as of the date of the certificate and further certifying that, as of the date of the certificate, no Event of Default exists under this Agreement.

Environmental Compliance and Reports. Borrower shall comply in all respects with any and all Environmental Laws; not cause or permit to exist, as a result of an intentional or unintentional action or omission on Borrower's part or on the part of any third party, on property owned and/or occupied by Borrower, any environmental activity where damage may result to the environment, unless such environmental activity is pursuant to and in compliance with the conditions of a permit issued by the appropriate federal, state or local governmental authorities; shall furnish to Lender promptly and in any event within thirty (30) days after receipt thereof a copy of any notice, summons, lien, citation, directive, letter or other communication from any governmental agency or instrumentality concerning any intentional or unintentional action or omission on Borrower's part in connection with any environmental activity whether or not there is damage to the environment and/or other natural resources.

Additional Assurances. Make, execute and deliver to Lender such promissory notes, mortgages, deeds of trust, security agreements, assignments, financing statements, instruments, documents and other agreements as Lender or its attorneys may reasonably request to evidence and secure the Loans and to perfect all Security Interests.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Borrower fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Borrower's failure to discharge or pay when due any amounts Borrower is required to discharge or pay under this Agreement or any Related Documents, Lender on Borrower's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on any Collateral and paying all costs for insuring, maintaining and preserving any Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Borrower. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity.

NEGATIVE COVENANTS. Borrower covenants and agrees with Lender that while this Agreement is in effect, Borrower shall not, without the prior written consent of Lender:

Indebtedness and Liens. (1) Except for trade debt incurred in the normal course of business and indebtedness to Lender contemplated by this Agreement, create, incur or assume indebtedness for borrowed money, including capital leases, (2) sell, transfer, mortgage, assign, pledge, lease, grant a security interest in, or encumber any of Borrower's assets (except as allowed as Permitted Liens), or (3) sell with recourse any of Borrower's accounts, except to Lender.

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Additional Financial Restrictions.

No Transfer to the Trust. Kim Peterson shall not transfer any assets to the Peterson Family Irrevocable Trust without prior written consent of Lender.

Continuity of Operations. (1) Engage in any business activities substantially different than those in which Borrower is presently engaged, (2) cease operations, liquidate, merge, transfer, acquire or consolidate with any other entity, change its name, dissolve or transfer or sell Collateral out of the ordinary course of business, or (3) make any distribution with respect to any capital account, whether by reduction of capital or otherwise.

Loans, Acquisitions and Guaranties. (1) Loan, invest in or advance money or assets to any other person, enterprise or entity, (2) purchase, create or acquire any interest in any other enterprise or entity, or (3) incur any obligation as surety or guarantor other than in the ordinary course of business.

Agreements. Enter into any agreement containing any provisions which would be violated or breached by the performance of Borrower's obligations under this Agreement or in connection herewith.

CESSATION OF ADVANCES. If Lender has made any commitment to make any Loan to Borrower, whether under this Agreement or under any other agreement, Lender shall have no obligation to make Loan Advances or to disburse Loan proceeds if: (A) Borrower, Grantor or any Guarantor is in default under the terms of this Agreement or any of the Related Documents, the Commercial Security Agreement, or any other agreement that Borrower, Grantor or any Guarantor has with Lender; (B) Borrower, Grantor or any Guarantor dies, becomes incompetent or becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged a bankrupt; (C) there occurs a material adverse change in Borrower's or Grantor's financial condition, in the financial condition of any Guarantor, or in the value of any Collateral securing any Loan; or (D) any Guarantor seeks, claims or otherwise attempts to limit, modify or revoke such Guarantor's guaranty of the Loan or any other loan with Lender; or (E) Lender in good faith deems itself insecure, even though no Event of Default shall have occurred.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Payment Default. Borrower fails to make any payment when due under the Loan.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower. Grantor fails to comply with or to perform any term, obligation, covenant or condition contained in the Commercial Security Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or any Grantor's property or Borrower's or any Grantor's ability to repay the Loans or perform their respective obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the Loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor or any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the indebtedness.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Loan is impaired.

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If any default, other than a default on indebtedness, is curable and if Borrower or Grantor, as the case may be, has not been given a notice of a similar default within the preceding twelve (12) months, it may be cured if Borrower or Grantor, as the case may be, after Lender sends written notice to Borrower or Grantor, as the case may be, demanding cure of such default: (1) cure the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiate steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continue and complete all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

EFFECT OF AN EVENT OF DEFAULT. If any Event of Default shall occur, except where otherwise provided in this Agreement or the Related Documents, all commitments and obligations of Lender under this Agreement or the Related Documents or any other agreement immediately will

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terminate (including any obligation to make further Loan Advances or disbursements), and, at Lender's option, all indebtedness immediately will become due and payable, all without notice of any kind to Borrower, except that in the case of an Event of Default of the type described in the "Insolvency" subsection above, such acceleration shall be automatic and not optional. In addition, Lender shall have all the rights and remedies provided in the Related Documents or available at law, in equity, or otherwise. Except as may be prohibited by applicable law, all of Lender's rights and remedies shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower or of any Grantor shall not affect Lender's right to declare a default and to exercise its rights and remedies.

COUNTERPART. This agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same agreement.

FACSIMILE OR ELECTRONIC MAIL DOCUMENTS INDEMNIFICATION. In accepting delivery of this document by method of fax transmission or electronic mail, and by affixing your signature upon all or any portion of this document, you hereby consent and agree to the following: The undersigned hereby waives any right, claim, or the defense that the incompleteness of any documentation received by fax transmission or electronic mail (the "Faxed or Email Document"), in comparison to the originally transmitted document from which the fax or email was generated or issued (the "Original Document"), resulted in damages by way of such incomplete document; or would have caused the undersigned not to sign this document had the undersigned been aware of additional verbiage, terms or conditions that are contained in the Original Document from which the fax or email was issued (the "Purported Missing Terms"). By affixing your signature upon all or any portion of the Faxed or Emailed Document, the undersigned further agrees to be bound by the Purported Missing Terms as if they had appeared in the Faxed or Emailed Document. Should the undersigned have any reason to believe that Purported Missing Terms exist between the Original Document and the Faxed or Emailed Document, the undersigned shall immediately notify Lender of any such Purported Missing Terms.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Borrower agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Consent to Loan Participation. Borrower agrees and consents to Lender's sale or transfer, whether now or later, of one or more participation interests in the Loan to one or more purchasers, whether related or unrelated to Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to the Loan, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interests in the Loan and will have all the rights granted under the participation agreement or agreements governing the sale of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participation interest and unconditionally agrees that either Lender or such purchaser may enforce Borrower's obligation under the Loan irrespective of the failure or insolvency of any holder of any interest in the Loan. Borrower further agrees that the purchaser of any such participation interests may enforce its interests irrespective of any personal claims or defenses that Borrower may have against Lender.

Choice of Venue. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Orange County, State of California.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Borrower, or between Lender and any Grantor, shall constitute a waiver of any of Lender's rights or of any of Borrower's or any Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address. Unless otherwise provided or required by law, if there is more than one Borrower, any notice given by Lender to any Borrower is deemed to be notice given to all Borrowers.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any

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circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Subsidiaries and Affiliates of Borrower. To the extent the context of any provisions of this Agreement makes it appropriate, including without limitation any representation, warranty or covenant, the word "Borrower" as used in this Agreement shall include all of Borrower's subsidiaries and affiliates. Notwithstanding the foregoing however, under no circumstances shall this Agreement be construed to require Lender to make any Loan or other financial accommodation to any of Borrower's subsidiaries or affiliates.

Successors and Assigns. All covenants and agreements by or on behalf of Borrower contained in this Agreement or any Related Documents shall bind Borrower's successors and assigns and shall inure to the benefit of Lender and its successors and assigns. Borrower shall not, however, have the right to assign Borrower's rights under this Agreement or any interest therein, without the prior written consent of Lender.

Survival of Representations and Warranties. Borrower understands and agrees that in extending Loan Advances, Lender is relying on all representations, warranties, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender under this Agreement or the Related Documents. Borrower further agrees that regardless of any investigation made by Lender, all such representations, warranties and covenants will survive the extension of Loan Advances and delivery to Lender of the Related Documents, shall be continuing in nature, shall be deemed made and redated by Borrower at the time each Loan Advance is made, and shall remain in full force and effect until such time as Borrower's indebtedness shall be paid in full, or until this Agreement shall be terminated in the manner provided above, whichever is the last to occur.

Time Is of the Essence. Time is of the essence in the performance of this Agreement.

Waive Jury. To the extent permitted by applicable law, all parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

Judicial Reference. To the extent the waiver of the right to a jury trial is not enforceable in any proceeding, the parties hereto agree that any claim shall be determined by a judicial reference proceeding in accordance with the provisions of California Code of Civil Procedure Sections 638 et seq. The parties intend this section on judicial reference to be specifically enforceable. Venue for the reference proceeding shall be in the County of Orange, California. Upon the written request of any party, the parties shall select a single referee, who shall be a retired California state or federal court judge or justice. If the parties do not agree upon a referee within 10 days of such written request, then any party shall have the right to request the court in Orange County, California to appoint a referee pursuant to California Code of Civil Procedure Section 640(b). The referee shall be appointed to sit with all of the powers provided by law. The parties shall not seek to appoint a referee that may be disqualified pursuant to California Code of Civil Procedure sections 641 or 641.2 without the prior written consent of all parties. Except as expressly set forth in this Agreement, the referee shall determine the manner in which the reference proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the reference proceeding. The referee may require one or more prehearing conferences. The parties hereto shall be entitled to discovery, and the referee shall oversee discovery in accordance with the rules of discovery, and shall enforce all discovery orders in the same manner as any trial court judge in proceedings at law in the State of California. The referee shall conduct the proceedings in accordance with California Code of Civil Procedure, the Rules of Court, and California Evidence Code, except as otherwise specifically agreed by the parties and approved by the referee, and the referee shall determine all issues in accordance with California substantive and procedural law. Each party acknowledges and agrees that the appointed referee shall have the power to decide all issues in the applicable action or proceeding, whether of fact or law. The referee shall be empowered to enter equitable as well as legal relief and rule on any motion which would be authorized in a trial, including motions to dismiss, motions for default judgment, or motions for summary judgment.

The referee shall report his or her decision, which report shall also include findings of fact and conclusions of law. The referee shall issue a decision, and pursuant to California Code of Civil Procedure Sections 644 and 645, the referee's decision shall be entered by any court of competent jurisdiction as a judgment in the same manner as if the action had been tried by the court. The final judgment or order from any appealable decision or order entered by the referee shall be fully appealable as if it has been entered by the court of competent jurisdiction. The parties recognize and agree that all claims resolved in a judicial reference proceeding pursuant hereto will be decided by a referee and not by a jury. This Agreement constitutes a "reference agreement" between the parties within the meaning of and for purposes of California Code of Civil Procedure Section 638. Notwithstanding the foregoing, Lender may, in its sole and absolute discretion, commence any action in any court having the proper jurisdiction for that action to enforce its rights and remedies under this Agreement and/or the Loan Documents. The parties consent to the jurisdiction of the courts in Orange County, California, or at Lender's request, in any jurisdiction where any collateral for the loan is located. The parties irrevocably and unconditionally submit to the jurisdiction (both subject matter and personal) of each such court and irrevocably and unconditionally waive: (a) any objection the parties might now or hereafter have to the venue in any such court; and (b) any claim that any action or proceeding brought in any such court has been brought in an inconvenient forum. The parties agree and consent that Lender may serve legal papers on the other parties by registered or certified mail, which shall be sufficient to obtain jurisdiction.

Notwithstanding the appointment of the referee or pending the appointment of the referee, the Orange County superior court, or any court of competent jurisdiction, shall have the power to issue temporary, injunctive, or provisional remedies. Nothing herein shall be deemed to apply to or limit the right of Lender to (a) exercise self-help remedies such as, but not limited to, setoff or recoupment, (b) foreclose judicially or nonjudicially against any real or personal property or collateral, or to exercise judicial or nonjudicial power of sale rights, (c) obtain from any court of competent jurisdiction temporary, provisional or ancillary remedies (including, but not limited to, injunctive relief, writs of possession, prejudgment attachment, writs of attachment, garnishment, temporary restraining orders, preliminary injunctions, a protective order or the appointment of a receiver), and/or (d) pursue rights against a party in a third-party proceeding in any action brought against Lender (including actions in bankruptcy court). Lender may exercise the rights set forth in the

BUSINESS LOAN AGREEMENT

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foregoing clauses (a) through (d), inclusive, before, during, or after the pendency of any judicial reference proceeding. This Agreement does not limit the right of any party to exercise or oppose any of the rights and remedies described in clauses (a) through (d) and any such exercise or opposition does not waive the right of any party, including, but not limited to, the claimant in any such action, to require submission to judicial reference the underlying merits of the claim occasioning resort to such remedies pursuant to this Agreement. At any time upon Lender's request, the parties agree to submit to a judicial reference proceeding. For avoidance of doubt, if an action is commenced in a court and Lender requests for submission to a judicial reference proceeding on the merits of the claims subject to such action, the parties agree to solve such claims under the judicial reference proceeding pursuant to this Agreement.

No provision in the Loan Documents regarding submission to jurisdiction and/or venue in any court is intended or shall be construed to be in derogation of the provisions in any Loan Document for judicial reference of any claim. If a claim includes multiple causes of action, some of which are found not to be subject to this Agreement, the parties shall stay the proceedings of the causes of action or part or parts thereof not subject to this Agreement until all other claims subject to this Agreement or parts thereof are resolved in accordance with this Agreement. If there are claims by or against multiple parties, some of which are not subject to this Agreement, the parties shall sever the claims subject to this Agreement and resolve them in accordance with this Agreement. Any party to this Agreement may file an original counterpart or a copy of this section with any court as written evidence of the consent of the parties hereto to the waiver of their right to trial by jury and the agreements contained herein regarding the application of judicial reference in the event of the invalidity of such jury trial waiver.

All fees and costs incurred in relation to the judicial reference proceeding shall be paid in accordance with the section titled Attorneys' Fees; Expenses in the loan documents. The compensation of the referee shall not exceed the prevailing rate for like services.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of California.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. Accounting words and terms not otherwise defined in this Agreement shall have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date of this Agreement:

Advance. The word "Advance" means a disbursement of Loan funds made, or to be made, to Borrower or on Borrower's behalf on a line of credit or multiple advance basis under the terms and conditions of this Agreement.

Agreement. The word "Agreement" means this Business Loan Agreement, as this Business Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Business Loan Agreement from time to time.

Borrower. The word "Borrower" means Kim Funding, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all property and assets granted as collateral security for a Loan, whether real or personal property, whether granted directly or indirectly, whether granted now or in the future, and whether granted in the form of a security interest, mortgage, collateral mortgage, deed of trust, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien, charge, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., Chapters 6.5 through 7.7 of Division 20 of the California Health and Safety Code, Section 25100, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

GAAP. The word "GAAP" means generally accepted accounting principles.

Grantor. The word "Grantor" means each and all of the persons or entities granting a Security Interest in any Collateral for the Loan, including without limitation ANI Development, LLC.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Loan.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the

BUSINESS LOAN AGREEMENT

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Related Documents.

Lender. The word "Lender" means Banc of California, National Association, its successors and assigns.

Loan. The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced, including without limitation those loans and financial accommodations described herein or described on any exhibit or schedule attached to this Agreement from time to time.

Note. The word "Note" means the Note dated November 2, 2017 and executed by Kim Funding, LLC in the principal amount of \$25,000,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Permitted Liens. The words "Permitted Liens" mean (1) liens and security interests securing indebtedness owed by Borrower to Lender; (2) liens for taxes, assessments, or similar charges either not yet due or being contested in good faith; (3) liens of materialmen, mechanics, warehousemen, or carriers, or other like liens arising in the ordinary course of business and securing obligations which are not yet delinquent; (4) purchase money liens or purchase money security interests upon or in any property acquired or held by Borrower in the ordinary course of business to secure indebtedness outstanding on the date of this Agreement or permitted to be incurred under the paragraph of this Agreement titled "Indebtedness and Liens"; (5) liens and security interests which, as of the date of this Agreement, have been disclosed to and approved by the Lender in writing; and (6) those liens and security interests which in the aggregate constitute an immaterial and insignificant monetary amount with respect to the net value of Borrower's assets.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guarantees, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.

Security Agreement. The words "Security Agreement" mean and include without limitation any agreements, promises, covenants, arrangements, understandings or other agreements, whether created by law, contract, or otherwise, evidencing, governing, representing, or creating a Security Interest, including but not limited to the Commercial Security Agreement.

Security Interest. The words "Security Interest" mean, without limitation, any and all types of collateral security, present and future, whether in the form of a lien, charge, encumbrance, mortgage, deed of trust, security deed, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever whether created by law, contract, or otherwise.

BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS BUSINESS LOAN AGREEMENT AND BORROWER AGREES TO ITS TERMS. THIS BUSINESS LOAN AGREEMENT IS DATED NOVEMBER 2, 2017.

BORROWER:

KIM FUNDING, LLC

By: 

Kim Peterson, Manager of Kim Funding, LLC

LENDER:

BANC OF CALIFORNIA, NATIONAL ASSOCIATION

By: 

Authorized Officer

Escrow No. 66061-DD

Chicago Title Company
701 B Street, Suite 760
San Diego, California 92101

ESCROW AGREEMENT
(Holding Funds)

This Escrow Agreement ("Agreement") is made and entered into as of _____, 2017, by and between ANI Development, LLC, a California limited liability company ("Lender"), and Chicago Title Company, a California corporation ("Escrow Holder").

R E C I T A L S

Lender desires to deposit certain funds and direct others to deposit certain funds (the "Deposit") into this Escrow and to provide Escrow Holder with written instructions setting forth the conditions under which Escrow Holder will invest and hold the funds and ultimately disburse them.

Lender and Escrow Holder understand that this is a limited escrow only and is being opened for the benefit of _____ ("Applicant"), who is applying for approval of a transfer to Applicant of a license issued by the California Department of Alcoholic Beverage Control ("ABC") under Business and Professions Code sections 24070-24082. The license that is the subject of Applicant's application to ABC is License No. _____ ("the License").

NOW, THEREFORE, the parties agree as follows:

A G R E E M E N T S

Deposit. Within five business days following the date this Agreement is signed by Lender and Escrow Holder, Lender will cause to be deposited a total sum of \$_____ ("the Deposit") with Escrow Holder for the refundable deposit for Applicant's application to ABC for approval of transfer to Applicant of the License. The source of funds for the Deposit shall be from an account at Banc of California, Inc. in the name of KIM Funding, LLC Escrow Holder will do the following:

Invest Funds. Place the Deposit into an interest-bearing account with all interest accruing to the account of Lender. Concurrently herewith, Lender will provide Escrow Holder with the required IRS Form W-9 and Investment Instructions required to establish such account.

226 Form. Escrow Holder shall send to ABC a completed Form 226 upon Escrow Holder's receipt of the Deposit.

Ownership of Deposit. It is acknowledged and understood that only Banc of California, Inc. has an ownership interest in the Deposit and that Lender has no ownership interest in the Deposit and has no right to direct the disposition of the Deposit except as set forth in and as provided in the Release of Deposit paragraph as follows.

Release of the Initial Deposit. At any time, Lender may provide written instructions to Escrow Holder to release all or a portion of the Deposit and the interest thereon. During the term of this Escrow, upon the written instructions from the Lender, Escrow Holder will disburse the Deposit and, as instructed by the Lender, only to the following account:

Banc of California, Inc.
ABA # 122244139
FCC: KIM Funding, LLC (Control Account)
A/C# 2030181679

Upon receipt of such instructions, Escrow Holder's only duty is to comply with said instructions and to disburse the Deposit as requested by Lender, and in accordance with this Escrow Agreement.

Escrow Holder's Requirement to Terminate Escrow. Escrow Holder shall terminate this Escrow upon the instructions of Lender or 365 days after this Escrow has been opened, unless requested to do otherwise by both Lender and Banc of California, Inc. At the time that this Escrow is terminated, the Deposit and, as instructed by the Lender, any interest thereon shall be disbursed to the Banc of California, Inc. account referenced above, and all remaining funds shall be disbursed to Lender unless otherwise directed, less Escrow Holder's unpaid fees.

Escrow Holder's Fee. Lender shall pay to Escrow Holder a fee in the amount of \$1,000.00 for Escrow Holder's services provided in connection with this Escrow, which fee shall be paid \$500.00 upon Escrow Holder's receipt of the Deposit and \$500.00 upon Escrow Holder's release of the Deposit.

Escrow Holder's General Provisions. By signature hereon, Lender approves Escrow Holder's General Provisions, a copy of which is attached to this Agreement as Exhibit "A" and are incorporated by reference as if fully set forth in this section.

Escrow Holder's Wiring Instructions. By signature hereon, Lender approves Escrow Holder's Wiring Instructions directive, a copy of which is attached to the Agreement as Exhibit "B" and are incorporated by reference as if fully set forth in this section.

Third-Party Beneficiary. The Lender and the Escrow Holder agree that Banc of California, Inc. shall be, and is hereby, named an express third party beneficiary of this Agreement, with full rights as such. The language of this Agreement relating to "Release of Deposit" and "Escrow Holder's Requirement to Terminate Escrow" cannot be amended without the advance written consent of the Banc of California, Inc.

IN WITNESS WHEREOF, this Agreement has been executed by the parties effective as of the date indicated above.

LENDER

ANI Development, LLC,
a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

By _____
Gina Champion-Cain

Date: _____, 2017

ESCROW HOLDER

Chicago Title Company,
a California corporation

By _____

Print Name: _____

Date: _____, 2017

DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$25,000,000.00	11-02-2017	11-10-2020	41613			51532	<i>[Signature]</i>

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "*****" has been omitted due to text length limitations.

Borrower: Kim Funding, LLC
12626 High Bluff Drive, Suite 300
San Diego, CA 92130

Lender: Banc of California, National Association
Business Banking - Los Angeles Office
601 S. Figueroa Street, Suite 2800
Los Angeles, CA 90017

LOAN TYPE. This is a Variable Rate Nondisclosable Revolving Line of Credit Loan to a Limited Liability Company for \$25,000,000.00 due on November 10, 2020.

PRIMARY PURPOSE OF LOAN. The primary purpose of this loan is for:

- ☐ Personal, Family, or Household Purposes or Personal Investment.
- ☒ Business (including Real Estate Investment).

SPECIFIC PURPOSE. The specific purpose of this loan is: to provide the capital for the financing of escrow deposits as required by California Alcoholic Beverage Control Act in connection with the sale/transfer of liquor licenses; fund shall only be advanced into .

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$25,000,000.00 as follows:

Undisbursed Funds: \$25,000,000.00

Note Principal: \$25,000,000.00

CHARGES PAID IN CASH. Borrower has paid or will pay in cash as agreed the following charges:

Prepaid Finance Charges Paid in Cash: \$0.00

Other Charges Paid in Cash: \$52,500.00

\$-10,000.00 Borrower's Good Faith Deposit
\$62,500.00 Loan Fee

Total Charges Paid in Cash: \$52,500.00

COUNTERPART. This agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same agreement.

FACSIMILE OR ELECTRONIC MAIL DOCUMENTS INDEMNIFICATION. In accepting delivery of this document by method of fax transmission or electronic mail, and by affixing your signature upon all or any portion of this document, you hereby consent and agree to the following: The undersigned hereby waives any right, claim, or the defense that the incompleteness of any documentation received by fax transmission or electronic mail (the "Faxed or Email Document"), in comparison to the originally transmitted document from which the fax or email was generated or issued (the "Original Document"), resulted in damages by way of such incomplete document; or would have caused the undersigned not to sign this document had the undersigned been aware of additional verbiage, terms or conditions that are contained in the Original Document from which the fax or email was issued (the "Purported Missing Terms"). By affixing your signature upon all or any portion of the Faxed or Emailed Document, the undersigned further agrees to be bound by the Purported Missing Terms as if they had appeared in the Faxed or Emailed Document. Should the undersigned have any reason to believe that Purported Missing Terms exist between the Original Document and the Faxed or Emailed Document, the undersigned shall immediately notify Lender of any such Purported Missing Terms.

DISBURSEMENT AMOUNT AND ESTIMATES. The loan disbursement amount paid to Borrower and/or others on Borrower's behalf can be changed depending on the loan disbursement date without a separate consent from Borrower. Fees and charges are estimated as of the anticipated closing date of this transaction. Borrower understands that these charges may vary from the actual costs.


FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED NOVEMBER 2, 2017.

BORROWER:

KIM FUNDING, LLC

By: *[Signature]*
Kim Peterson, Manager of Kim Funding, LLC

CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$35,000,000.00	11-02-2017	02-28-2022	41613			51531	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Borrower: Kim Funding, LLC
12626 High Bluff Drive, Suite 300
San Diego, CA 92130

Lender: Banc of California, National Association
Commercial Banking - Middle Market
3 MacArthur Place, Suite 100
Santa Ana, CA 92707

Principal Amount: \$35,000,000.00

Date of Agreement: February 27, 2019

DESCRIPTION OF EXISTING INDEBTEDNESS.

A revolving line of credit evidenced by a promissory note dated November 2, 2017, in the original principal amount of \$25,000,000.00, referencing Loan No. 41613 ("Note").

The Note is subject to the terms and conditions of that certain Business Loan Agreement dated February 27, 2019, between Borrower and Lender ("Loan Agreement").

DESCRIPTION OF COLLATERAL.

A security interest in all of Borrower's personal property assets more particularly described in that certain Commercial Security Agreement dated November 2, 2017, executed by Borrower, as Grantor, in favor of Lender ("Security Agreement").

All Escrow Accounts funded by Lender and established from time to time on or after this date by ANI Development, LLC ("Grantor") with Chicago Title, a California Corporation, in connection with the representation by Grantor of applicants for a transfer of a license by the California Department of Alcohol Beverage Control, and the funding of such escrow accounts by Borrower and general intangibles more particularly described in that certain Commercial Security Agreement dated November 2, 2017, executed by Grantor, in favor of Lender ("Security Agreement").

A deposit account as more particularly described in that certain Assignment of Deposit Account dated November 2, 2017, executed by ANI Development, LLC, as Grantor, in favor of Lender.

A deposit account as more particularly described in that certain Assignment of Deposit Account dated February 27, 2019, executed by Borrower, as Grantor, in favor of Lender.

DESCRIPTION OF CHANGE IN TERMS.

1. The date on which all outstanding principal is due and payable together with any accrued but unpaid interest ("Maturity Date") is hereby extended from November 10, 2020 to February 28, 2022. Notwithstanding the extension of the Maturity Date, Borrower shall continue to make regular monthly payments of all accrued unpaid interest until the Maturity Date as extended above.

2. The amount available to Borrower under the line of credit evidenced by the Note is hereby increased from \$25,000,000.00 to \$35,000,000.00. Accordingly, the principal amount of the Note is hereby increased to \$35,000,000.00.

3. One of the REQUIREMENTS FOR ADVANCES in the Note is hereby amended as below.

Loan Advance Request Form signed by an authorized officer of the Borrower with a minimum amount of \$25,000.00.

4. A demand deposit as more particularly described in that certain Assignment of Deposit Account dated February 27, 2019, executed by Borrower, as Grantor, in favor of Lender, is hereby added as additional collateral.

5. Laurie Peterson is hereby added as Guarantor of the Note and shall have full force and effect.

6. The following CONSIDERATION and CROSS-DEFAULT languages are hereby added to the Note.

CONSIDERATION. Borrower hereby warrants and represents that Borrower understands that PNC Equipment Finance, LLC is making a loan simultaneously to Kim Aviation, LLC, and that a default by Kim Aviation, LLC on its loan to PNC Equipment Finance, LLC will be a default under this Agreement. Borrower warrants and represents that: (A) the Cross-Default provision in this Agreement has been given and granted by Borrower to induce the Lender to extend credit accommodations to the Borrower; (B) Borrower has established adequate means of obtaining from Kim Aviation, LLC on a continuing basis information about Kim Aviation, LLC's financial condition; and (C) Lender has made no representation to Borrower about Kim Aviation, LLC or Kim Aviation, LLC's creditworthiness. Except as otherwise required under this Agreement or by applicable law, (A) Borrower agrees that Lender need not tell Borrower about any action or inaction Lender takes in connection with this Agreement; (B) Borrower assumes the responsibility for being and keeping informed about Kim Aviation, LLC; and (C) Borrower waives any defenses that may arise because of any action or inaction of Lender, including without limitation any failure of Lender to act upon Kim Aviation, LLC or any delay by Lender in acting upon Kim Aviation, LLC.

CROSS-DEFAULT. Borrower will be in default if Kim Aviation, LLC fails to comply with or to perform any other term, obligation, covenant or condition contained in those certain Promissory Notes executed by Kim Aviation, LLC in favor of PNC Equipment Finance, LLC dated December 12, 2017, in the original principal amount of \$3,850,000.00, and dated December 11, 2018, in the original principal amount of \$6,500,000.00, or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between PNC Equipment Finance, LLC and Kim Aviation, LLC.

7. The floor rate of 3.50% is hereby removed from the Note effective as of this Change in Terms Agreement date.

8. The following language is hereby added to the VARIABLE INTEREST RATE section of the Note.

The agreements made by Borrower with respect to this Note and the other Loan Documents are expressly limited so that in no event shall the amount of interest received, charged or contracted for by the Borrower exceed the highest lawful amount of interest permissible under the laws applicable to the Loan. If at any time performance of any provision of this Note or the other Loan Documents results in the highest lawful rate of interest permissible under applicable laws being exceeded, then the amount of interest received, charged or contracted for by Borrower shall automatically and without further action by any party be deemed to have been reduced to the highest lawful amount of interest then permissible under applicable law. For Interest Rate calculations, any interest period that would otherwise end on (but exclude) a day which is not a Business Day shall be extended to the next succeeding Business Day.

9. The following SWAP TRANSACTIONS language is hereby added to the Note.

SWAP TRANSACTIONS: As used herein a "Swap" and/or "Swap Transaction" or "Financial Contract" shall mean (1) an agreement (including

Exhibit 10a
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Exhibit J, Page 915

**CHANGE IN TERMS AGREEMENT
(Continued)**

Loan No: 41613

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terms and conditions incorporated by reference therein) between the Borrower and Lender which is a rate swap agreement, basis swap, forward rate agreement, commodity swap, commodity option, equity or equity index swap, bond option, interest rate option, foreign exchange agreement, rate cap agreement, rate floor agreement, rate collar agreement, currency swap agreement, cross-currency rate swap agreement, currency option, and other similar agreement (including any option to enter into any of the foregoing; (2) any combination of the foregoing; or (3) a master agreement for any of the foregoing together with all amendments and supplements.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

COUNTERPART. This agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same agreement.

FACSIMILE OR ELECTRONIC MAIL DOCUMENTS INDEMNIFICATION. In accepting delivery of this document by method of fax transmission or electronic mail, and by affixing your signature upon all or any portion of this document, you hereby consent and agree to the following: The undersigned hereby waives any right, claim, or the defense that the incompleteness of any documentation received by fax transmission or electronic mail (the "Faxed or Email Document"), in comparison to the originally transmitted document from which the fax or email was generated or issued (the "Original Document"), resulted in damages by way of such incomplete document; or would have caused the undersigned not to sign this document had the undersigned been aware of additional verbiage, terms or conditions that are contained in the Original Document from which the fax or email was issued (the "Purported Missing Terms"). By affixing your signature upon all or any portion of the Faxed or Emailed Document, the undersigned further agrees to be bound by the Purported Missing Terms as if they had appeared in the Faxed or Emailed Document. Should the undersigned have any reason to believe that Purported Missing Terms exist between the Original Document and the Faxed or Emailed Document, the undersigned shall immediately notify Lender of any such Purported Missing Terms.

RELEASE AND WAIVER OF CLAIMS. In consideration of Lender's agreement to enter into this Agreement, Borrower hereby agrees as follows:

Release of All Claims. Borrower, on behalf of itself and on behalf of each of its past, present and future heirs, executors, administrators, trusts, trustees, beneficiaries, predecessors, insurers, general partners, members, officers, affiliates and its and their successors and assigns (collectively, the "Releasing Parties"), hereby releases and forever discharges Lender and all of its subsidiaries, affiliates, officers, directors, employees, agents, attorneys, advisors, and its and their successors and assigns (collectively, the "Released Parties") from any and all claims, demands, debts, liabilities, contracts, obligations, accounts, torts, causes of action or claims for relief of whatever kind or nature, whether known or unknown, whether suspected or unsuspected, which the Releasing Parties may have or which may hereafter be asserted or accrue against Released Parties, or any of them, resulting from or in any way relating to any act or omission done or committed by Released Parties, or any of them, arising directly or indirectly out of the Loan, the Loan Documents, the transactions evidenced or contemplated thereby, the collateral securing the Loan; the approval, the origination, the funding and the closing of the Loan; the review, approval, or disapproval of any and all documents, instruments, insurance and all other items submitted to Lender in connection with the Loan; the disbursements of funds under the Loan; Lender's acts, statements, conduct, representations and omissions made in connection with the Loan, including, without limitation, the terms and conditions of this Agreement; any fact, matter, transaction or event relating thereto; or the relationships existing or transactions or dealings occurring between Lender and Borrower up to and as of the date of this Agreement (the "Claims").

Release Includes Unknown Claims. The release described in the immediately preceding paragraph and in this paragraph applies to all Claims which the Releasing Parties have or which may hereafter arise against the Released Parties, or any of them, as a result of acts or omissions occurring before the date of this Agreement, whether or not known or suspected by the parties hereto. Borrower expressly acknowledges that, although it may be that ordinarily a general release does not extend to claims which the releasing party does not know or suspect to exist in its favor, which if known by it must have materially affected its settlement with the party released, it has carefully considered and taken into account in determining to enter into this Agreement the possible existence of such unknown losses or Claims.

Waiver of California Civil Code Section 1542. Without limiting the generality of the foregoing, Borrower expressly waives any and all rights conferred upon it by any statute or rule of law which provides that a release does not extend to claims which the releasing party does not know or suspect to exist in the releasing party's favor at the time of executing the release, which if known by the releasing party must have materially affected the releasing party's settlement with the released party, including, without limitation, the following provisions of California Civil Code Section 1542 ("Section 1542"):

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Borrower acknowledges, warrants and represents that Borrower is familiar with Section 1542 and that the effect and import of that provision has been fully explained to it by its attorney. There is a risk that subsequent to the execution of this Agreement, Borrower will incur or suffer loss, damages or injuries related to the subject matter of this Agreement, but which are unknown and unanticipated at the time this Agreement is signed. Borrower hereby assumes the above mentioned risks and understands that this Agreement shall apply to all unknown or unanticipated claims, losses, damages or injuries relating to the subject matter of this Agreement, as well as those known and anticipated, and upon advice of legal counsel, hereby waives any and all rights under the aforesaid Section 1542 and any similar law or principle of common law.

No Reliance. Borrower hereby acknowledges that it has not relied upon any representation of any kind made by Lender in making the foregoing release.

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**CHANGE IN TERMS AGREEMENT
(Continued)**

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PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

KIM FUNDING, LLC

By: 

Kim Peterson, Manager of Kim Funding, LLC

LENDER:

BANC OF CALIFORNIA, NATIONAL ASSOCIATION

X 

Authorized Officer

Steve Cusato, SVP Market Executive

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Confidential

BOC-025693

BUSINESS LOAN AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$35,000,000.00	11-02-2017	02-28-2022	41613			51531	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: Kim Funding, LLC
12626 High Bluff Drive, Suite 300
San Diego, CA 92130

Lender: Banc of California, National Association
Commercial Banking – Middle Market
3 MacArthur Place, Suite 100
Santa Ana, CA 92707

THIS BUSINESS LOAN AGREEMENT dated February 27, 2019, is made and executed between Kim Funding, LLC ("Borrower") and Banc of California, National Association ("Lender") on the following terms and conditions. Borrower has received prior commercial loans from Lender or has applied to Lender for a commercial loan or loans or other financial accommodations, including those which may be described on any exhibit or schedule attached to this Agreement. Borrower understands and agrees that: (A) in granting, renewing, or extending any Loan, Lender is relying upon Borrower's representations, warranties, and agreements as set forth in this Agreement; (B) the granting, renewing, or extending of any Loan by Lender at all times shall be subject to Lender's sole judgment and discretion; and (C) all such Loans shall be and remain subject to the terms and conditions of this Agreement.

TERM. This Agreement shall be effective as of February 27, 2019, and shall continue in full force and effect until such time as all of Borrower's Loans in favor of Lender have been paid in full, including principal, interest, costs, expenses, attorneys' fees, and other fees and charges, or until such time as the parties may agree in writing to terminate this Agreement.

ADVANCE AUTHORITY. The following person or persons are authorized to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of such authority: **Kim Peterson, Manager of Kim Funding, LLC.**

CONDITIONS PRECEDENT TO EACH ADVANCE. Lender's obligation to make the initial Advance and each subsequent Advance under this Agreement shall be subject to the fulfillment to Lender's satisfaction of all of the conditions set forth in this Agreement and in the Related Documents.

Loan Documents. Borrower shall provide to Lender the following documents for the Loan: (1) the Note; (2) Security Agreements granting to Lender security interests in the Collateral; (3) financing statements and all other documents perfecting Lender's Security Interests; (4) evidence of insurance as required below; (5) guaranties; (6) together with all such Related Documents as Lender may require for the Loan; all in form and substance satisfactory to Lender and Lender's counsel. In addition, ANI Development, LLC ("Grantor") shall provide to Lender that certain Commercial Security Agreement dated as of November 2, 2017 (the "Commercial Security Agreement"), pursuant to which Grantor grants Lender a security interest in all Escrow Accounts funded by Lender and established from time to time on or after this date by Grantor with Chicago Title, a California corporation ("Escrow Holder"), in connection with the representation by Grantor of applicants for a transfer of a license by the California Department of Alcohol Beverage Control, and the funding of such escrow accounts by Borrower. Prior to each Advance, Borrower shall also provide Lender with a Loan Request together with a copy of an Escrow Agreement executed between Grantor and Escrow Holder.

Borrower's Authorization. Borrower shall have provided in form and substance satisfactory to Lender properly certified resolutions, duly authorizing the execution and delivery of this Agreement, the Note and the Related Documents. In addition, Borrower shall have provided such other resolutions, authorizations, documents and instruments as Lender or its counsel, may require.

Payment of Fees and Expenses. Borrower shall have paid to Lender all fees, charges, and other expenses which are then due and payable as specified in this Agreement or any Related Document.

Representations and Warranties. The representations and warranties set forth in this Agreement, in the Related Documents, and in any document or certificate delivered to Lender under this Agreement are true and correct.

No Event of Default. There shall not exist at the time of any Advance a condition which would constitute an Event of Default under this Agreement or under any Related Document, or any Event of Default by Grantor under the Commercial Security Agreement.

REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants to Lender, as of the date of this Agreement, as of the date of each disbursement of loan proceeds, as of the date of any renewal, extension or modification of any Loan, and at all times any Indebtedness exists:

Organization. Borrower is a limited liability company which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California. Borrower is duly authorized to transact business in all other states in which Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which Borrower is doing business. Specifically, Borrower is, and at all times shall be, duly qualified as a foreign limited liability company in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. Borrower maintains an office at 12626 High Bluff Drive, Suite 300, San Diego, CA 92130. Unless Borrower has designated otherwise in writing, the principal office is the office at which Borrower keeps its books and records including its records concerning the Collateral. Borrower will notify Lender prior to any change in the location of Borrower's state of organization or any change in Borrower's name. Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental

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authority or court applicable to Borrower and Borrower's business activities.

Assumed Business Names. Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by Borrower. Excluding the name of Borrower, the following is a complete list of all assumed business names under which Borrower does business: None.

Authorization. Borrower's execution, delivery, and performance of this Agreement and all the Related Documents have been duly authorized by all necessary action by Borrower and do not conflict with, result in a violation of, or constitute a default under (1) any provision of (a) Borrower's articles of organization or membership agreements, or (b) any agreement or other instrument binding upon Borrower or (2) any law, governmental regulation, court decree, or order applicable to Borrower or to Borrower's properties.

Financial Information. Each of Borrower's financial statements supplied to Lender truly and completely disclosed Borrower's financial condition as of the date of the statement, and there has been no material adverse change in Borrower's financial condition subsequent to the date of the most recent financial statement supplied to Lender. Borrower has no material contingent obligations except as disclosed in such financial statements.

Legal Effect. This Agreement constitutes, and any instrument or agreement Borrower is required to give under this Agreement when delivered will constitute legal, valid, and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms.

Properties. Except as contemplated by this Agreement or as previously disclosed in Borrower's financial statements or in writing to Lender and as accepted by Lender, and except for property tax liens for taxes not presently due and payable, Borrower owns and has good title to all of Borrower's properties free and clear of all Security Interests, and has not executed any security documents or financing statements relating to such properties. All of Borrower's properties are titled in Borrower's legal name, and Borrower has not used or filed a financing statement under any other name for at least the last five (5) years.

Hazardous Substances. Except as disclosed to and acknowledged by Lender in writing, Borrower represents and warrants that: (1) During the period of Borrower's ownership of the Collateral, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from any of the Collateral. (2) Borrower has no knowledge of, or reason to believe that there has been (a) any breach or violation of any Environmental Laws; (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Collateral by any prior owners or occupants of any of the Collateral; or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters. (3) Neither Borrower nor any tenant, contractor, agent or other authorized user of any of the Collateral shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from any of the Collateral; and any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations, and ordinances, including without limitation all Environmental Laws. Borrower authorizes Lender and its agents to enter upon the Collateral to make such inspections and tests as Lender may deem appropriate to determine compliance of the Collateral with this section of the Agreement. Any inspections or tests made by Lender shall be at Borrower's expense and for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Borrower or to any other person. The representations and warranties contained herein are based on Borrower's due diligence in investigating the Collateral for hazardous waste and Hazardous Substances. Borrower hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Borrower becomes liable for cleanup or other costs under any such laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Agreement or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of a hazardous waste or substance on the Collateral. The provisions of this section of the Agreement, including the obligation to indemnify and defend, shall survive the payment of the indebtedness and the termination, expiration or satisfaction of this Agreement and shall not be affected by Lender's acquisition of any interest in any of the Collateral, whether by foreclosure or otherwise.

Litigation and Claims. No litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Borrower is pending or threatened, and no other event has occurred which may materially adversely affect Borrower's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by Lender in writing.

Taxes. To the best of Borrower's knowledge, all of Borrower's tax returns and reports that are or were required to be filed, have been filed, and all taxes, assessments and other governmental charges have been paid in full, except those presently being or to be contested by Borrower in good faith in the ordinary course of business and for which adequate reserves have been provided.

Lien Priority. Unless otherwise previously disclosed to Lender in writing, Borrower has not entered into or granted any Security Agreements, or permitted the filing or attachment of any Security Interests on or affecting any of the Collateral directly or indirectly securing repayment of Borrower's Loan and Note, that would be prior or that may in any way be superior to Lender's Security Interests and rights in and to such Collateral.

Binding Effect. This Agreement, the Note, all Security Agreements (if any), and all Related Documents are binding upon the signers thereof, as well as upon their successors, representatives and assigns, and are legally enforceable in accordance with their respective terms.

Right of Setoff. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts.

AFFIRMATIVE COVENANTS. Borrower covenants and agrees with Lender that, so long as this Agreement remains in effect, Borrower will:

Notices of Claims and Litigation. Promptly inform Lender in writing of (1) all material adverse changes in Borrower's financial condition, and (2) all existing and all threatened litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower or any Guarantor which could materially affect the financial condition of Borrower or the financial condition of any Guarantor.

Financial Records. Maintain its books and records, applied on a consistent basis, and permit Lender to examine and audit Borrower's books and records at all reasonable times.

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Financial Statements. Furnish Lender with the following:

Additional Requirements.

Borrower Tax Returns. As soon as available, but in no event later than forty five (45) days after the applicable filing date for the tax reporting period ended, Borrower to provide Lender with complete copies of Federal tax returns, including K-1's if applicable, signed by Borrower. Provide copies of extensions, if applicable.

Guarantor Tax Returns. As soon as available, but in no event later than forty five (45) days after the applicable filing date for the tax reporting period ended, ANI Development, LLC and Kim Peterson to provide Lender with complete copies of Federal tax returns, including K-1's if applicable, signed by ANI Development, LLC and Kim Peterson. Provide copies of extensions, if applicable.

Tax Returns. As soon as available, but in no event later than forty five (45) days after the applicable filing date for the tax reporting period ended, ABC Funding Strategies LLC, ABC Funding Strategies Management LLC, ANI License Fund LLC, Kim Media LLC, Kim Management LLC, Aero Drive 3 LLC, Aero Drive LLC, Baltimore Drive LLC, Kim Aviation LLC, and any other entities owned by Kim Funding, LLC and/or Kim Peterson to provide Lender with complete copies of Federal tax returns, including K-1's if applicable, signed by ABC Funding Strategies LLC, ABC Funding Strategies Management LLC, ANI License Fund LLC, Kim Media LLC, Kim Management LLC, Aero Drive 3 LLC, Aero Drive LLC, Baltimore Drive LLC, Kim Aviation LLC, and any other entities owned by Kim Funding, LLC and/or Kim Peterson. Provide copies of extensions, if applicable.

Trust Tax Returns. As soon as available, but in no event later than one hundred fifty (150) days after the applicable filing date for the tax reporting period ended, The Peterson Trust to provide Lender with complete copies of Federal tax returns, including K-1's if applicable, signed by The Peterson Trust. Provide copies of extensions, if applicable.

Annual Financial Statements. Annually, as soon as available, but in no event later than sixty (60) days after the end of each fiscal year, Borrower and Kim Aviation LLC's balance sheet and profit and loss statement including with debt schedules for the year then ended, prepared by Borrower and Kim Aviation LLC on an accrual basis.

Interim Financial Statements. Semi-annually, as soon as available, but in no event later than thirty (30) days after the end of each semi-annual, Borrower and Kim Aviation LLC's balance sheet and profit and loss statement including with debt schedules for the semi-annual then ended, prepared by Borrower and Kim Aviation LLC on an accrual basis.

Trust Annual Financial Statements. Annually, as soon as available, but in no event later than one hundred fifty (150) days after the end of each fiscal year, The Peterson Trust's balance sheet and profit and loss statement including with debt schedules for the year then ended, prepared by The Peterson Trust on an accrual basis.

Personal Financial Statements. As soon as available, but in no event later than one hundred fifty (150) days after the period then ended, Kim Peterson and Laurie Peterson's detailed personal financial statement on Lender's form or other form satisfactory to Lender.

Monthly Escrow Reconciliation Statements. Monthly, as soon as available, but in no event later than fifteen (15) days of each month end, Borrower to provide Lender with Monthly Escrow Reconciliation Statements provided by Borrower in format acceptable to Lender that shows outstanding escrows, escrow number and amount, and designated lender responsible for each escrow.

Quarterly Report provided by Chicago Title Company. Quarterly, as soon as available, but in no event later than fifteen (15) days after the end of each quarter, Borrower to provide Lender with Quarterly Report provided by Chicago Title Company in format acceptable to Lender that shows Escrow Deposit and number of escrow for each lender.

Quarterly Escrow Reconciliation Statements. Quarterly, as soon as available, but in no event later than fifteen (15) days of each quarter end, Borrower to provide Lender with Quarterly Escrow Reconciliation Statements for Borrower in format acceptable to Lender that shows Escrows issued and Escrows closed, Outstanding Escrows (in number and in dollars), and debt schedule of all lenders.

Aircraft Liability Insurance. Annually, as soon as available, but in no event later than thirty (30) days after the purchase, Kim Aviation LLC to provide Lender with Aircraft Liability Insurance in format acceptable to Lender.

All financial reports required to be provided under this Agreement, applied on a consistent basis, and certified by Borrower as being true and correct.

Additional Information. Furnish such additional information and statements, as Lender may request from time to time.

Additional Requirements.

Global Debt Service Coverage. Borrower, Kim Aviation LLC, Kim Peterson, and ANI Development, LLC shall maintain a combined minimum Global Debt Service Coverage ratio of 1.10 to 1.00 (measured annually). Global Debt Service Coverage is calculated by dividing the combined cash flow available to service debt for Borrower, Kim Aviation LLC, Kim Peterson, and ANI Development, LLC by the sum of all interest, current portion of long term debt, and current portion of capital leases for Borrower, Kim Aviation LLC, Kim Peterson, and ANI Development, LLC.

Real Estate Holding Companies: Gross rental and other recurring income generated by the subject property less cash expenses, cash dividends, cash distributions, net advances/loans to shareholders and related entities.

Corporate Entities: Cash flow available to service debt is the sum of net income, interest, depreciation, amortization, impairment, and other non-cash expenses less cash dividends, cash distributions, stock repurchases, current year advances/repayments to shareholders and related entities (net of repayments from shareholders and related entities, not to result in an addition to Cash Flow Available to Service Debt), unfinanced capital expenditures, and non-recurring income as determined by Lender in its sole discretion.

Fixed Charge Coverage. Borrower and Kim Aviation LLC shall maintain a minimum Fixed Charge Coverage Ratio of 1.10:1.00 (measured annually). Fixed Charge Coverage Ratio is defined as the sum of Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of Borrower

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and EBITDA of Kim Aviation LLC minus distributions and taxes, divided by the sum of the Current Portion of Long-Term Debt (CPLTD), interest, capital lease payments, and any other recurring payments of the two aforementioned entities.

Liquidity. Borrower shall maintain a minimum of three (3) months of interest payments, up to \$600,000.00. Liquidity requirement shall never decrease, and once the liquidity reaches \$600,000.00, it will remain at that amount going forward.

Insurance. Maintain fire and other risk insurance, public liability insurance, and such other insurance as Lender may require with respect to Borrower's properties and operations, in form, amounts, coverages and with insurance companies acceptable to Lender. Borrower, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least thirty (30) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Borrower or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest for the Loans, Borrower will provide Lender with such lender's loss payable or other endorsements as Lender may require.

Insurance Reports. Furnish to Lender, upon request of Lender, reports on each existing insurance policy showing such information as Lender may reasonably request, including without limitation the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the properties insured; (5) the then current property values on the basis of which insurance has been obtained, and the manner of determining those values; and (6) the expiration date of the policy. In addition, upon request of Lender (however not more often than annually), Borrower will have an independent appraiser satisfactory to Lender determine, as applicable, the actual cash value or replacement cost of any Collateral. The cost of such appraisal shall be paid by Borrower.

Guaranties. Prior to disbursement of any Loan proceeds, furnish executed guaranties of the Loans in favor of Lender, executed by the guarantors named below, on Lender's forms, and in the amounts and under the conditions set forth in those guaranties.

<u>Names of Guarantors</u>	<u>Amounts</u>
ANI Development, LLC	Unlimited
Kim Peterson	Unlimited
Laurie Peterson	Unlimited

Other Agreements. Comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party and notify Lender immediately in writing of any default in connection with any other such agreements.

Loan Proceeds. Loan proceeds shall be wired directly to Escrow Holder and used solely for Borrower's business operations, unless specifically consented to the contrary by Lender in writing.

Taxes, Charges and Liens. Pay and discharge when due all of its indebtedness and obligations, including without limitation all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon Borrower or its properties, income, or profits, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of Borrower's properties, income, or profits. Provided however, Borrower will not be required to pay and discharge any such assessment, tax, charge, levy, lien or claim so long as (1) the legality of the same shall be contested in good faith by appropriate proceedings, and (2) Borrower shall have established on Borrower's books adequate reserves with respect to such contested assessment, tax, charge, levy, lien, or claim in accordance with GAAP.

Performance. Perform and comply, in a timely manner, with all terms, conditions, and provisions set forth in this Agreement, in the Related Documents, and in all other instruments and agreements between Borrower and Lender. Borrower shall notify Lender immediately in writing of any default in connection with any agreement.

Operations. Maintain executive and management personnel with substantially the same qualifications and experience as the present executive and management personnel; provide written notice to Lender of any change in executive and management personnel; conduct its business affairs in a reasonable and prudent manner.

Environmental Studies. Promptly conduct and complete, at Borrower's expense, all such investigations, studies, samplings and testings as may be requested by Lender or any governmental authority relative to any substance, or any waste or by-product of any substance defined as toxic or a hazardous substance under applicable federal, state, or local law, rule, regulation, order or directive, at or affecting any property or any facility owned, leased or used by Borrower.

Compliance with Governmental Requirements. Comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the conduct of Borrower's properties, businesses and operations, and to the use or occupancy of the Collateral, including without limitation, the Americans With Disabilities Act. Borrower may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Borrower has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Collateral are not jeopardized. Lender may require Borrower to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Inspection. Permit employees or agents of Lender at any reasonable time to inspect any and all Collateral for the Loan or Loans and Borrower's other properties and to examine or audit Borrower's books, accounts, and records and to make copies and memoranda of Borrower's books, accounts, and records. If Borrower now or at any time hereafter maintains any records (including without limitation computer generated records and computer software programs for the generation of such records) in the possession of a third party, Borrower, upon request of Lender, shall notify such party to permit Lender free access to such records at all reasonable times and to provide Lender with copies of any records it may request, all at Borrower's expense.

Compliance Certificates. Unless waived in writing by Lender, provide Lender at least annually, with a certificate executed by Borrower's chief

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financial officer, or other officer or person acceptable to Lender, certifying that the representations and warranties set forth in this Agreement are true and correct as of the date of the certificate and further certifying that, as of the date of the certificate, no Event of Default exists under this Agreement.

Environmental Compliance and Reports. Borrower shall comply in all respects with any and all Environmental Laws; not cause or permit to exist, as a result of an intentional or unintentional action or omission on Borrower's part or on the part of any third party, on property owned and/or occupied by Borrower, any environmental activity where damage may result to the environment, unless such environmental activity is pursuant to and in compliance with the conditions of a permit issued by the appropriate federal, state or local governmental authorities; shall furnish to Lender promptly and in any event within thirty (30) days after receipt thereof a copy of any notice, summons, lien, citation, directive, letter or other communication from any governmental agency or instrumentality concerning any intentional or unintentional action or omission on Borrower's part in connection with any environmental activity whether or not there is damage to the environment and/or other natural resources.

Additional Assurances. Make, execute and deliver to Lender such promissory notes, mortgages, deeds of trust, security agreements, assignments, financing statements, instruments, documents and other agreements as Lender or its attorneys may reasonably request to evidence and secure the Loans and to perfect all Security Interests.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Borrower fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Borrower's failure to discharge or pay when due any amounts Borrower is required to discharge or pay under this Agreement or any Related Documents, Lender on Borrower's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on any Collateral and paying all costs for insuring, maintaining and preserving any Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Borrower. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity.

NEGATIVE COVENANTS. Borrower covenants and agrees with Lender that while this Agreement is in effect, Borrower shall not, without the prior written consent of Lender:

Indebtedness and Liens. (1) Except for trade debt incurred in the normal course of business and indebtedness to Lender contemplated by this Agreement, create, incur or assume indebtedness for borrowed money, including capital leases, (2) sell, transfer, mortgage, assign, pledge, lease, grant a security interest in, or encumber any of Borrower's assets (except as allowed as Permitted Liens), or (3) sell with recourse any of Borrower's accounts, except to Lender.

Continuity of Operations. (1) Engage in any business activities substantially different than those in which Borrower is presently engaged, (2) cease operations, liquidate, merge, transfer, acquire or consolidate with any other entity, change its name, dissolve or transfer or sell Collateral out of the ordinary course of business, or (3) make any distribution with respect to any capital account, whether by reduction of capital or otherwise.

Loans, Acquisitions and Guaranties. (1) Loan, invest in or advance money or assets to any other person, enterprise or entity, (2) purchase, create or acquire any interest in any other enterprise or entity, or (3) incur any obligation as surety or guarantor other than in the ordinary course of business.

Agreements. Enter into any agreement containing any provisions which would be violated or breached by the performance of Borrower's obligations under this Agreement or in connection herewith.

CESSATION OF ADVANCES. If Lender has made any commitment to make any Loan to Borrower, whether under this Agreement or under any other agreement, Lender shall have no obligation to make Loan Advances or to disburse Loan proceeds if: (A) Borrower, Grantor or any Guarantor is in default under the terms of this Agreement or any of the Related Documents, the Commercial Security Agreement, or any other agreement that Borrower, Grantor or any Guarantor has with Lender; (B) Borrower, Grantor or any Guarantor dies, becomes incompetent or becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged a bankrupt; (C) there occurs a material adverse change in Borrower's or Grantor's financial condition, in the financial condition of any Guarantor, or in the value of any Collateral securing any Loan; or (D) any Guarantor seeks, claims or otherwise attempts to limit, modify or revoke such Guarantor's guaranty of the Loan or any other loan with Lender; or (E) Lender in good faith deems itself insecure, even though no Event of Default shall have occurred.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Payment Default. Borrower fails to make any payment when due under the Loan.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower. Grantor fails to comply with or to perform any term, obligation, covenant or condition contained in the Commercial Security Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or any Grantor's property or Borrower's or any Grantor's ability to repay the Loans or perform their respective obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

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Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the Loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Loan is impaired.

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If any default, other than a default on Indebtedness, is curable and if Borrower or Grantor, as the case may be, has not been given a notice of a similar default within the preceding twelve (12) months, it may be cured if Borrower or Grantor, as the case may be, after Lender sends written notice to Borrower or Grantor, as the case may be, demanding cure of such default: (1) cure the default within fifteen (15) days; or (2) If the cure requires more than fifteen (15) days, immediately initiate steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continue and complete all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

CONSIDERATION. Borrower hereby warrants and represents that Borrower understands that PNC Equipment Finance, LLC is making a loan simultaneously to Kim Aviation, LLC; and that a default by Kim Aviation, LLC on its loan to PNC Equipment Finance, LLC will be a default under this Agreement. Borrower warrants and represents that: (A) the Cross-Default provision in this Agreement has been given and granted by Borrower to induce the Lender to extend credit accommodations to the Borrower; (B) Borrower has established adequate means of obtaining from Kim Aviation, LLC on a continuing basis information about Kim Aviation, LLC's financial condition; and (C) Lender has made no representation to Borrower about Kim Aviation, LLC or Kim Aviation, LLC's creditworthiness. Except as otherwise required under this Agreement or by applicable law, (A) Borrower agrees that Lender need not tell Borrower about any action or inaction Lender takes in connection with this Agreement; (B) Borrower assumes the responsibility for being and keeping informed about Kim Aviation, LLC; and (C) Borrower waives any defenses that may arise because of any action or inaction of Lender, including without limitation any failure of Lender to act upon Kim Aviation, LLC or any delay by Lender in acting upon Kim Aviation, LLC.

CROSS-DEFAULT. Borrower will be in default if Kim Aviation, LLC fails to comply with or to perform any other term, obligation, covenant or condition contained in those certain Promissory Notes executed by Kim Aviation, LLC in favor of PNC Equipment Finance, LLC dated December 12, 2017, in the original principal amount of \$3,850,000.00, and dated December 11, 2018, in the original principal amount of \$6,500,000.00, or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between PNC Equipment Finance, LLC and Kim Aviation, LLC.

EFFECT OF AN EVENT OF DEFAULT. If any Event of Default shall occur, except where otherwise provided in this Agreement or the Related Documents, all commitments and obligations of Lender under this Agreement or the Related Documents or any other agreement immediately will terminate (including any obligation to make further Loan Advances or disbursements), and, at Lender's option, all Indebtedness immediately will become due and payable, all without notice of any kind to Borrower, except that in the case of an Event of Default of the type described in the "Insolvency" subsection above, such acceleration shall be automatic and not optional. In addition, Lender shall have all the rights and remedies provided in the Related Documents or available at law, in equity, or otherwise. Except as may be prohibited by applicable law, all of Lender's rights and remedies shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower or of any Grantor shall not affect Lender's right to declare a default and to exercise its rights and remedies.

ADDITIONAL EFFECT OF AN EVENT OF DEFAULT. (a) If any Event of Default shall occur and be continuing for more than thirty (30) days under the Loan Documents, ANI Development, LLC shall provide written instructions to Escrow Holder to terminate one or more Escrows under the Escrow Agreements and immediately release all or a portion of the Deposits and Interest thereon to Lender's account set forth in the Escrow Agreements or as otherwise instructed by Lender (all of the foregoing, as determined in Lender's sole and absolute discretion); and (b) Upon the occurrence of any Event of Default (including the foregoing), in no event shall any Escrow (as defined in the respective Escrow Agreement) extend beyond three hundred sixty five (365) days after such Escrow has been opened without the advance written consent of Lender.

COUNTERPART. This agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same agreement.

FACSIMILE OR ELECTRONIC MAIL DOCUMENTS INDEMNIFICATION. In accepting delivery of this document by method of fax transmission or electronic mail, and by affixing your signature upon all or any portion of this document, you hereby consent and agree to the following: The undersigned hereby waives any right, claim, or the defense that the incompleteness of any documentation received by fax transmission or electronic mail (the "Facsimile or Email Document"), in comparison to the originally transmitted document from which the fax or email was generated or issued (the "Original Document"), resulted in damages by way of such incomplete document; or would have caused the undersigned not to sign this document had the

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undersigned been aware of additional verbiage, terms or conditions that are contained in the Original Document from which the fax or email was issued (the "Purported Missing Terms"). By affixing your signature upon all or any portion of the Faxed or Emailed Document, the undersigned further agrees to be bound by the Purported Missing Terms as if they had appeared in the Faxed or Emailed Document. Should the undersigned have any reason to believe that Purported Missing Terms exist between the Original Document and the Faxed or Emailed Document, the undersigned shall immediately notify Lender of any such Purported Missing Terms.

SWAP TRANSACTIONS. As used herein a "Swap" and/or "Swap Transaction" or "Financial Contract" shall mean (1) an agreement (including terms and conditions incorporated by reference therein) between the Borrower and Lender which is a rate swap agreement, basis swap, forward rate agreement, commodity swap, commodity option, equity or equity index swap, bond option, interest rate option, foreign exchange agreement, rate cap agreement, rate floor agreement, rate collar agreement, currency swap agreement, cross-currency rate swap agreement, currency option, and other similar agreement (including any option to enter into any of the foregoing; (2) any combination of the foregoing; or (3) a master agreement for any of the foregoing together with all amendments and supplements.

AMENDMENT AND RESTATEMENT. This Agreement amends and restates in its entirety that certain Business Loan Agreement as of November 2, 2017. Borrower hereby confirms the continuing effectiveness of such Business Loan Agreement, as amended and restated hereby.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Borrower agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Consent to Loan Participation. Borrower agrees and consents to Lender's sale or transfer, whether now or later, of one or more participation interests in the Loan to one or more purchasers, whether related or unrelated to Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to the Loan, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interests in the Loan and will have all the rights granted under the participation agreement or agreements governing the sale of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participation interest and unconditionally agrees that either Lender or such purchaser may enforce Borrower's obligation under the Loan irrespective of the failure or insolvency of any holder of any interest in the Loan. Borrower further agrees that the purchaser of any such participation interests may enforce its interests irrespective of any personal claims or defenses that Borrower may have against Lender.

Choice of Venue. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Orange County, State of California.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Borrower, or between Lender and any Grantor, shall constitute a waiver of any of Lender's rights or of any of Borrower's or any Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address. Unless otherwise provided or required by law, if there is more than one Borrower, any notice given by Lender to any Borrower is deemed to be notice given to all Borrowers.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

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Subsidiaries and Affiliates of Borrower. To the extent the context of any provisions of this Agreement makes it appropriate, including without limitation any representation, warranty or covenant, the word "Borrower" as used in this Agreement shall include all of Borrower's subsidiaries and affiliates. Notwithstanding the foregoing, however, under no circumstances shall this Agreement be construed to require Lender to make any Loan or other financial accommodation to any of Borrower's subsidiaries or affiliates.

Successors and Assigns. All covenants and agreements by or on behalf of Borrower contained in this Agreement or any Related Documents shall bind Borrower's successors and assigns and shall inure to the benefit of Lender and its successors and assigns. Borrower shall not, however, have the right to assign Borrower's rights under this Agreement or any interest therein, without the prior written consent of Lender.

Survival of Representations and Warranties. Borrower understands and agrees that in extending Loan Advances, Lender is relying on all representations, warranties, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender under this Agreement or the Related Documents. Borrower further agrees that regardless of any investigation made by Lender, all such representations, warranties and covenants will survive the extension of Loan Advances and delivery to Lender of the Related Documents, shall be continuing in nature, shall be deemed made and redated by Borrower at the time each Loan Advance is made, and shall remain in full force and effect until such time as Borrower's indebtedness shall be paid in full, or until this Agreement shall be terminated in the manner provided above, whichever is the last to occur.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

Waive Jury. To the extent permitted by applicable law, all parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

Judicial Reference. To the extent the waiver of the right to a jury trial is not enforceable in any proceeding, the parties hereto agree that any claim shall be determined by a judicial reference proceeding in accordance with the provisions of California Code of Civil Procedure Sections 638 et seq. The parties intend this section on judicial reference to be specifically enforceable. Venue for the reference proceeding shall be in the County of Orange, California. Upon the written request of any party, the parties shall select a single referee, who shall be a retired California state or federal court judge or justice. If the parties do not agree upon a referee within 10 days of such written request, then any party shall have the right to request the court in Orange County, California to appoint a referee pursuant to California Code of Civil Procedure Section 640(b). The referee shall be appointed to sit with all of the powers provided by law. The parties shall not seek to appoint a referee that may be disqualified pursuant to California Code of Civil Procedure sections 641 or 641.2 without the prior written consent of all parties. Except as expressly set forth in this Agreement, the referee shall determine the manner in which the reference proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the reference proceeding. The referee may require one or more prehearing conferences. The parties hereto shall be entitled to discovery, and the referee shall oversee discovery in accordance with the rules of discovery, and shall enforce all discovery orders in the same manner as any trial court judge in proceedings at law in the State of California. The referee shall conduct the proceedings in accordance with California Code of Civil Procedure, the Rules of Court, and California Evidence Code, except as otherwise specifically agreed by the parties and approved by the referee, and the referee shall determine all issues in accordance with California substantive and procedural law. Each party acknowledges and agrees that the appointed referee shall have the power to decide all issues in the applicable action or proceeding, whether of fact or law. The referee shall be empowered to enter equitable as well as legal relief and rule on any motion which would be authorized in a trial, including motions to dismiss, motions for default judgment, or motions for summary judgment.

The referee shall report his or her decision, which report shall also include findings of fact and conclusions of law. The referee shall issue a decision, and pursuant to California Code of Civil Procedure Sections 644 and 645, the referee's decision shall be entered by any court of competent jurisdiction as a judgment in the same manner as if the action had been tried by the court. The final judgment or order from any appealable decision or order entered by the referee shall be fully appealable as if it has been entered by the court of competent jurisdiction. The parties recognize and agree that all claims resolved in a judicial reference proceeding pursuant hereto will be decided by a referee and not by a jury. This Agreement constitutes a "reference agreement" between the parties within the meaning of and for purposes of California Code of Civil Procedure Section 638. Notwithstanding the foregoing, Lender may, in its sole and absolute discretion, commence any action in any court having the proper jurisdiction for that action to enforce its rights and remedies under this Agreement and/or the Loan Documents. The parties consent to the jurisdiction of the courts in Orange County, California, or at Lender's request, in any jurisdiction where any collateral for the loan is located. The parties irrevocably and unconditionally submit to the jurisdiction (both subject matter and personal) of each such court and irrevocably and unconditionally waive: (a) any objection the parties might now or hereafter have to the venue in any such court; and (b) any claim that any action or proceeding brought in any such court has been brought in an inconvenient forum. The parties agree and consent that Lender may serve legal papers on the other parties by registered or certified mail, which shall be sufficient to obtain jurisdiction.

Notwithstanding the appointment of the referee or pending the appointment of the referee, the Orange County superior court, or any court of competent jurisdiction, shall have the power to issue temporary, injunctive, or provisional remedies. Nothing herein shall be deemed to apply to or limit the right of Lender to (a) exercise self-help remedies such as, but not limited to, setoff or recoupment, (b) foreclose judicially or nonjudicially against any real or personal property or collateral, or to exercise judicial or nonjudicial power of sale rights, (c) obtain from any court of competent jurisdiction temporary, provisional or ancillary remedies (including, but not limited to, injunctive relief, writs of possession, prejudgment attachment, writs of attachment, garnishment, temporary restraining orders, preliminary injunctions, a protective order or the appointment of a receiver), and/or (d) pursue rights against a party in a third-party proceeding in any action brought against Lender (including actions in bankruptcy court). Lender may exercise the rights set forth in the foregoing clauses (a) through (d), inclusive, before, during, or after the pendency of any judicial reference proceeding. This Agreement does not limit the right of any party to exercise or oppose any of the rights and remedies described in clauses (a) through (d) and any such exercise or opposition does not waive the right of any party, including, but not limited to, the claimant in any such action, to require submission to judicial reference the underlying merits of the claim occasioning resort to such remedies pursuant to this Agreement. At any time upon Lender's request, the parties agree to submit to a judicial reference proceeding. For avoidance of doubt, if an action is

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commenced in a court and Lender requests for submission to a judicial reference proceeding on the merits of the claims subject to such action, the parties agree to solve such claims under the judicial reference proceeding pursuant to this Agreement.

No provision in the Loan Documents regarding submission to jurisdiction and/or venue in any court is intended or shall be construed to be in derogation of the provisions in any Loan Document for judicial reference of any claim. If a claim includes multiple causes of action, some of which are found not to be subject to this Agreement, the parties shall stay the proceedings of the causes of action or part or parts thereof not subject to this Agreement until all other claims subject to this Agreement or parts thereof are resolved in accordance with this Agreement. If there are claims by or against multiple parties, some of which are not subject to this Agreement, the parties shall sever the claims subject to this Agreement and resolve them in accordance with this Agreement. Any party to this Agreement may file an original counterpart or a copy of this section with any court as written evidence of the consent of the parties hereto to the waiver of their right to trial by jury and the agreements contained herein regarding the application of judicial reference in the event of the invalidity of such jury trial waiver.

All fees and costs incurred in relation to the judicial reference proceeding shall be paid in accordance with the section titled Attorneys' Fees; Expenses in the loan documents. The compensation of the referee shall not exceed the prevailing rate for like services.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of California.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. Accounting words and terms not otherwise defined in this Agreement shall have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date of this Agreement:

Advance. The word "Advance" means a disbursement of Loan funds made, or to be made, to Borrower or on Borrower's behalf on a line of credit or multiple advance basis under the terms and conditions of this Agreement.

Agreement. The word "Agreement" means this Business Loan Agreement, as this Business Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Business Loan Agreement from time to time.

Borrower. The word "Borrower" means Kim Funding, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all property and assets granted as collateral security for a Loan, whether real or personal property, whether granted directly or indirectly, whether granted now or in the future, and whether granted in the form of a security interest, mortgage, collateral mortgage, deed of trust, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien, charge, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., Chapters 6.5 through 7.7 of Division 20 of the California Health and Safety Code, Section 25100, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

GAAP. The word "GAAP" means generally accepted accounting principles.

Grantor. The word "Grantor" means each and all of the persons or entities granting a Security Interest in any Collateral for the Loan, including without limitation ANI Development, LLC.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Loan.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means Banc of California, National Association, its successors and assigns.

Loan. The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced, including without limitation those loans and financial accommodations described herein or described on any exhibit or

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schedule attached to this Agreement from time to time.

Note. The word "Note" means the Note dated November 2, 2017 and executed by Kim Funding, LLC in the original principal amount of \$25,000,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Permitted Liens. The words "Permitted Liens" mean (1) liens and security interests securing Indebtedness owed by Borrower to Lender; (2) liens for taxes, assessments, or similar charges either not yet due or being contested in good faith; (3) liens of materialmen, mechanics, warehousemen, or carriers, or other like liens arising in the ordinary course of business and securing obligations which are not yet delinquent; (4) purchase money liens or purchase money security interests upon or in any property acquired or held by Borrower in the ordinary course of business to secure Indebtedness outstanding on the date of this Agreement or permitted to be incurred under the paragraph of this Agreement titled "Indebtedness and Liens"; (5) liens and security interests which, as of the date of this Agreement, have been disclosed to and approved by the Lender in writing; and (6) those liens and security interests which in the aggregate constitute an immaterial and insignificant monetary amount with respect to the net value of Borrower's assets.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.

Security Agreement. The words "Security Agreement" mean and include without limitation any agreements, promises, covenants, arrangements, understandings or other agreements, whether created by law, contract, or otherwise, evidencing, governing, representing, or creating a Security Interest, including but not limited to the Commercial Security Agreement.

Security Interest. The words "Security Interest" mean, without limitation, any and all types of collateral security, present and future, whether in the form of a lien, charge, encumbrance, mortgage, deed of trust, security deed, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever whether created by law, contract, or otherwise.

BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS BUSINESS LOAN AGREEMENT AND BORROWER AGREES TO ITS TERMS. THIS BUSINESS LOAN AGREEMENT IS DATED FEBRUARY 27, 2019.

BORROWER:

KIM FUNDING, LLC

By: 
Kim Peterson, Manager of Kim Funding, LLC

LENDER:

BANC OF CALIFORNIA, NATIONAL ASSOCIATION

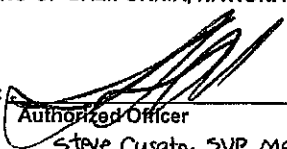
By: 
Authorized Officer
Steve Cusato, SVP Market Executive

Exhibit 10b
Page 431

Exhibit J, Page 927

Confidential

BOC-025706

**FIRST AMENDMENT
TO
LOAN DOCUMENTS**

THIS FIRST AMENDMENT TO LOAN DOCUMENTS, dated as of February 27, 2019 (this "First Amendment"), is entered into by and among Kim Funding, LLC, a California limited liability company ("Borrower"), Banc of California, National Association ("Lender") and ANI Development, LLC, a California limited liability company ("ANI Guarantor"). Borrower and ANI Guarantor are collectively referred to as the "Loan Parties".

RECITALS

WHEREAS, Lender and Borrower are parties to that certain Business Loan Agreement, dated as of November 2, 2017 (as the same may be further amended, modified, supplemented or restated from time to time, the "Loan Agreement"), pursuant to which Lender has previously extended to Borrower a revolving line of credit in the original principal amount of Twenty-Five Million (\$25,000,000) (the "Original Loan Limit") upon the terms and conditions set forth in the Loan Agreement, as evidenced by that certain Promissory Note, dated November 2, 2017 (as the same may be further amended, modified, supplemented or restated from time to time, the "Note", and together with the Loan Agreement and any other documents and instruments referenced therein or in connection therewith, the "Loan Documents");

WHEREAS, in support of the Loan, Lender has a security and ownership interest in the "Deposits" (as such term is defined in those certain Escrow Agreements, by and between ANI Guarantor and Chicago Title Company, a California corporation ("Escrow Holder") (collectively, the "Escrow Agreements", and each, the "Escrow Agreement")) and is the sole third party beneficiary of such Escrow Agreements;

WHEREAS, the parties hereto find it necessary and desirable to make certain changes to the Loan Documents as more particularly described herein.

NOW THEREFORE, in consideration of the foregoing premises and the agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Definitions. All capitalized terms used in this First Amendment and not otherwise defined herein shall have the meanings ascribed to such capitalized terms in the Loan Agreement.
2. Event of Default. Any breach or violation of Lender's right, title and interest to and under the Escrow Agreements shall constitute an Event of Default under the Loan Documents. Upon the occurrence of any Event of Default (including the foregoing), in no event shall any Escrow (as defined in the respective Escrow

Agreement) extend beyond 365 days after such Escrow has been opened without the advance written consent of Lender.

3. Additional Remedies under Loan Documents. If any Event of Default shall occur and be continuing for more than thirty (30) days under the Loan Documents, ANI Guarantor shall provide written instructions to Escrow Holder to terminate one or more Escrows under the Escrow Agreements and immediately release all or a portion of the Deposits and interest thereon to Lender's account set forth in the Escrow Agreements or as otherwise instructed by Lender (all of the foregoing, as determined in Lender's sole and absolute discretion).
4. Representations and Warranties. In order to induce Lender to enter into this First Amendment, the Loan Parties hereby represent and warrant to Lender as follows:
 - (a) The Loan Parties have the limited liability company power and authority to execute and deliver this First Amendment and to perform their respective obligations under the Loan Documents;
 - (b) The execution and delivery by the Loan Parties and the performance by the Loan Parties of their respective obligations under the Loan Documents have been duly authorized by all necessary limited liability company action on the part of the Loan Parties; and
 - (c) This First Amendment has been duly executed and delivered by the Loan Parties and is the binding obligation of the Loan Parties, enforceable against them in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.
5. Conditions Precedent. The legal effectiveness of this First Amendment is subject to the full satisfaction, in Lender's sole discretion, of the following conditions precedent:
 - (a) The Loan Parties shall have duly executed (and Kim Peterson shall have acknowledged) this First Amendment and delivered the same to Lender.
6. Severability. Any provision of this First Amendment that is held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this First Amendment and the effect thereof shall be confined to the provisions so held to be invalid or unenforceable.
7. Successors and Assigns. This First Amendment is binding upon and shall inure to the benefit of the Loan Parties, Lender and their respective successors and permitted assigns, except as limited by applicable law and/or by the terms of the Loan Documents.
8. Effect of this First Amendment. Except as expressly provided for in this First Amendment, this First Amendment shall not, in any way or manner, rescind,

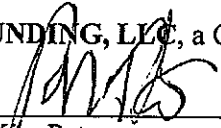
supplement or modify any existing term or provision of the Loan Documents or waive or diminish any right or remedy of Lender under the Loan Documents, at law in or equity. All of the amendments set forth in this First Amendment shall be effective as of the date hereof.

9. Further Assurances. The Loan Parties agree that they shall do and perform such acts and execute and deliver such additional documents and instruments as may be necessary to effectuate the purposes of this First Amendment.
10. Headings. The headings in this First Amendment are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.
11. Governing Law. THIS FIRST AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICT OF LAWS.
12. Integration. The Loan Documents, as modified by this First Amendment, constitute the entire agreement among the parties hereto and supersedes all prior and contemporaneous agreements, oral or written, among the parties concerning the subject matter hereof. No term of this First Amendment shall be amended, supplemented, modified or waived except by a writing signed by the parties hereto.
13. Construction. Each party to this First Amendment has reviewed and participated in the formulation of the components of this First Amendment. Accordingly, this First Amendment shall be construed simply according to its fair meaning and not strictly for or against any party.
14. Counterparts. This First Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same agreement.

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


Borrower:

KIM FUNDING, LLC, a California limited liability company

By: 
Name: Kim Peterson
Title: Manager

Lender:


BANC OF CALIFORNIA, NATIONAL ASSOCIATION

By: 
Name: Steve Cusato
Title: Senior Vice President

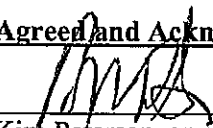
Guarantor:

ANI DEVELOPMENT, LLC, a California limited liability company

By: THE GINA CHAMPION-CAIN REVOCABLE TRUST, DATED JUNE 26, 2012, as
Manager of ANI Development, LLC

By: 
Name: Gina Champion-Cain
Title: Trustee of the The Gina Champion-Cain Revocable Trust, dated June 26, 2012

Agreed and Acknowledged:


Kim Peterson, an individual

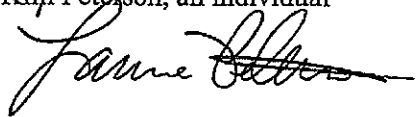


EXHIBIT 30

LOAN AGREEMENT

THIS LOAN AGREEMENT is made and dated as of July 13, 2017, and is entered into by KIM Funding, LLC, a California limited liability company (the "**Company**"), and Ovation Finance Holdings 2 LLC, a Nevada limited liability company ("**Ovation**").

RECITALS

Whereas, the Company seeks financing, the proceeds of which to be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcohol Beverage Control as required by state regulations (each an "**Escrow Account**");

Whereas the Company is affiliated with ANI Development, LLC, a California limited liability company ("**ANI**"), and ANI will establish with Chicago Title ("**Escrow Holder**") an Escrow Account into which Ovation shall fund Loans (defined below) hereunder pursuant to this Agreement and which Escrow Account shall be subject to an escrow agreement ("**Escrow Agreement**") to accept the proceeds of each Loan, and

Whereas, Ovation shall be a third party beneficiary of the Escrow Agreement and the owner of each Escrow Account thereunder; and

Whereas Ovation is willing to advance the Loans (defined below) to the Company on the terms and conditions set forth in this Agreement;

Therefore in consideration of the mutual covenants contained herein, Ovation hereby agrees to provide financing to the Company, on the terms and conditions set forth below.

SECTION 1 – GENERAL TERMS

Section 1.1 Loan Advance. Subject to the terms and conditions of this Agreement, beginning as of the effective date of this Agreement (the "**Effective Date**"), Ovation will make available to the Company up to **\$25,000,000.00** (the "**Maximum Credit Amount**") upon which the Company may draw from time to time pursuant to multiple full recourse loans (each a "**Loan**").

Section 1.2 Use of Proceeds. The Company represents, warrants and agrees that the proceeds of each Loan will be solely used to directly fund the Escrow Accounts of persons or entities (each a "**License Applicant**") seeking authorization from the California Department of Alcoholic Beverage Control (the "**ABC**") to acquire by transfer a license issued by ABC. Ovation is hereby directed to deposit funds subject to this Loan Agreement directly into such Escrow Accounts as instructed by Company.

Section 1.3 Loan Request. The Company and Ovation agree that the following procedure shall be used to request and fund Loans:

- (a) The following terms shall have the following meanings:

(i) **"Business Day"** shall mean any day other than a Saturday, Sunday or day on which banks in New York City are generally authorized or required by law to close.

(ii) **"Cash"** shall mean immediately available funds in US dollars.

(iii) **"Loan Date"** shall mean with respect to each Loan the date on which Ovation delivers to Escrow Holder Cash to fund such Loan.

(iv) **"Loan Request"** shall mean a writing by the Company to Ovation to request that Ovation transfer Cash to Escrow Holder to fund one or more Loans. Each Loan request shall be substantially in form and content as Exhibit A attached hereto.

(v) **"Major Loan Request"** shall mean a Loan Request for Ovation to transfer Cash to Escrow Holder to fund one or more Loans in an aggregate amount more than \$1,000,000.00. The Company agrees that no Major Loan Request may exceed \$5,000,000.00, other than the first Major Loan Request, which may not exceed \$10,000,000.00.

(vi) **"Minor Loan Request"** shall mean a Loan Request for Ovation to transfer Cash to Escrow Holder to fund one or more Loans that in the aggregate do not exceed \$1,000,000.00.

(b) If (1) the Company delivers to Ovation a Major Loan Request and (2) all of the conditions precedent in Section 2.1 below are satisfied, then, within **ten business days** following Ovation's receipt of such Major Loan Request, Ovation shall wire transfer Cash to Escrow Holder in the manner and in the amount specified in such Major Loan Request.

(c) If (1) the Company delivers to Ovation a Minor Loan Request and (2) all of the conditions precedent in Section 2.1 are satisfied, then, with **three business days** following Ovation's receipt of such Minor Loan Request, Ovation shall wire transfer Cash to Escrow Holder in the manner and in the amount specified in such Minor Loan Request. The Company shall use reasonable efforts to make each Minor Loan Request in an amount that is at least \$200,000.00.

Section 1.4 Term; Funding Limits; Loan Repayment.

(a) The following terms shall have the following meanings:

(i) **"Credit Term"** shall mean the period commencing on the Effective Date and continuing to the Term Expiration Date.

(ii) **"Due Date"** shall mean with respect to each Loan the date that is three Business Days following the earliest of (1) the date the License Applicant delivers to Escrow Holder the License Applicant's funds to replace the principal amount of the Loan for the required deposit to complete the license transfer to the License Applicant, (2) the date the License Applicant's license transfer escrow is terminated for any reason, including ABC's disapproval of

the License Applicant's transfer application, or (3) the date that is 365 days after the Loan Date for such Loan.

(ii) **"Term Expiration Date"** shall mean the **third anniversary** of the Effective Date.

(iii) **"Funding Suspension Event"** either (1) the aggregate principal balance of all outstanding Loans equals or exceeds the Maximum Credit Amount or (2) the occurrence of an Event of Default.

(b) Ovation's obligation to fund Loans hereunder shall terminate on the earlier of (1) the Term Expiration Date or (2) Ovation's election to declare all Loans immediately due and payable under Section 6.2 following an Event of Default.

(c) Upon the occurrence of a Funding Suspension Event, Ovation's obligation to fund Loans hereunder shall be suspended during the period commencing on the date of the Funding Suspension Event occurs and continuing until the date the Funding Suspension Event ceases (e.g. if (1) the Funding Suspension Event consisted of the aggregate principal balance of all outstanding Loans equaling the Maximum Credit Amount and (2) various Loans were thereafter repaid to Ovation, which payment reduced the aggregate principal balance of all outstanding Loans below the Maximum Credit Amount, then Ovation's obligation to fund Loans would recommence on the date the aggregate amount of all outstanding Loans was again less than the Maximum Credit Amount; further e.g. if (1) the Funding Suspension Event consisted of an Event of Default and (2) prior to Ovation's declaring all Loans immediately due under Section 6.2, the Event of Default was cured, then Ovation's obligation to fund Loans would recommence on the date the Event of Default was cured).

(d) Ovation may, but is not obligated to, fund Loans following the Term Expiration Date and/or during the occurrence of a Funding Suspension Event. If Ovation elects to continue to fund Loans notwithstanding suspension or termination of Ovation's obligation to fund Loans, then (1) all terms and conditions of this Agreement shall apply with respect to such Loans and (2) Ovation may, at any time thereafter and in Ovation's sole discretion, elect to terminate or suspend, as applicable, funding additional Loans.

(e) The Company shall be obligated to pay Ovation the principal and accrued interest on each Loan on the Due Date for such Loan. The Company reserves the right to prepay any or all Loans at any time.

Section 1.5 Payment. For each Loan, payments will be made on the Due Date in Cash. The Company shall cause ANI to instruct the Escrow Holder to pay to Ovation from each applicable Escrow Account all amounts due and owing with respect to a Loan on the Due Date of such Loan. In the event that the funds disbursed from an Escrow Account are insufficient to repay in full any Loan, the Company will pay such amounts directly to Ovation on the applicable Due Date of such Loan as are necessary to repay the Loan in full as further set forth in Section 1.6 below.

Section 1.6 Interest Rate. The interest rate shall be **ten percent (10%)** per annum of the principal amount of each Loan. The principal balance of each Loan shall bear interest thereon from the Loan Date of the Loan, based on a year consisting of 365 days, with interest computed daily based on the actual number of days elapsed. The Company's agreement with each License Applicant will provide that the License Applicant is not obligated to pay interest if the License Applicant does not receive ABC's approval of the license transfer, and based upon such agreement, the Escrow Account may not have sufficient funds to pay Ovation all amounts owed to Ovation on the Due Date of the Loan pertaining to such License Applicant. If as of the Due Date of a Loan the Escrow Account pertaining to the Loan does not contain adequate funds to pay to Ovation all amounts owed under the Loan, then the Company shall deliver to Escrow Holder sufficient Cash to allow Escrow Holder to disburse to Ovation from the Escrow Account for such Loan the full amount owed to Ovation for such Loan. Notwithstanding the foregoing, if all or substantially all of the then pending Escrow Accounts are terminated as a consequence of or in response to a regulation, order, or enforcement action by ABC or Department of Business Oversight, then the interest rate on then outstanding Loans shall be the lesser of (1) **10 percent** per annum or (2) the actual amount of points and interest paid by the License Applicants with respect to the Escrow Accounts funded with the proceeds of such Loans.

Section 1.7 Maximum Interest. Notwithstanding any provision in this Agreement, it is the parties' intent not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans). If a court of competent jurisdiction shall finally determine that the Company has actually paid to Ovation an amount of interest in excess of the maximum amount permissible by law, then such excess interest actually paid by the Company shall be applied as follows: first, to the payment of principal outstanding on the Loan; second, after all principal is repaid, to the payment of Ovation's accrued interest, costs, expenses, professional fees; and third, the excess (if any) shall be refunded to the Company.

SECTION 2 - CONDITIONS PRECEDENT TO LOAN

Section 2.1 Conditions. Ovation's obligation to make any Loan hereunder during the Credit Term is subject to the satisfaction of the following conditions:

- (a) Ovation shall have received a Loan Request executed by the Company and an Escrow Agreement executed by ANI (together, the "**Loan Documents**");
- (b) An Escrow Account shall have been established pursuant to an Escrow Agreement;
- (c) As of the date of the Loan Request, the representations and warranties contained herein shall be true and correct in all material respects to the same extent as though made on and as of that date;

(c) ANI shall have executed and delivered that certain Side Agreement attached hereto as Exhibit C (the “Side Agreement”); and

(d) The Company shall be in compliance with all the terms and provisions set forth herein to be observed or performed, and at the time of and immediately after such Loan no Event of Default shall have occurred and be continuing.

SECTION 3 - REPRESENTATIONS

Section 3.1 Mutual Representations. Each party makes the representations to the other party that:

(a) It is duly organized and validly existing under the laws of the jurisdiction or incorporation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement and any other documents relating to this Agreement to which it is a party, to deliver this Agreement, the Loan Documents, and any other documents that are required by this Agreement, to deliver and to perform its obligations under this Agreement and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance of this Agreement, the Loan Documents, and any other documents that are required by this Agreement do not violate or conflict with any law applicable to it, any provision of its organizational documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any other documents relating to this Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been satisfied.

(e) The respective party’s obligations under this Agreement and any other documents related to this Agreement to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors’ rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(f) No broker’s or finder’s fee or commission will be payable with respect to the issuance of any Loan.

Section 3.2 Company Representations. The Company further represents to Ovation that:

(a) It is not an “investment company” or a company “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

(b) Neither this Agreement nor any other document, certificate or statement furnished or to be furnished to Ovation by or on behalf of the Company in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact known to the Company which materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of the Company which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to Ovation by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

(c) It is not a party to any litigation or administrative proceeding, nor so far as is known by the Company is any litigation or administrative proceeding threatened against it which could, if adversely determined, cause any material adverse change in its property, financial condition or the conduct of its business.

(d) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of the Company the right to accelerate the maturity of any indebtedness of the Company for borrowed money. The Company is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its property, financial condition or business operations.

Section 3.3 Ovation Representations. Ovation makes the representations that:

(a) It is acquiring each Loan without any present intention of making a sale or other distribution of such Loan.

(b) It meets the definition of an “accredited investor” as defined in Rule 501(a) of Regulation D under the Securities Act of 1933.

(c) It has the requisite knowledge and experience to assess the relative merits and risks of the Loan.

(d) It is aware that the Loans have not been and will not be registered under the Securities Act of 1933 or the securities laws of any state and is being sold in reliance on exemptions from registration of such securities laws, and is subject to restrictions on transferability and may not be resold except as permitted by this Agreement, the Securities Act of 1933, and the applicable state securities law.

SECTION 4 – AFFIRMATIVE COVENANTS

Section 4.1 Existence; Compliance with Laws; Businesses and Properties. The Company will do or cause to be done all things reasonably necessary to:

(a) preserve, renew and keep in full force and effect its legal existence under the laws of its jurisdiction of organization;

(b) do or cause to be done all things reasonably necessary to the conduct of its business; and

(c) comply in all material respects with applicable laws, rules, regulations and decrees and orders of any governmental authority, whether now in effect or hereafter enacted.

Section 4.2 Taxes. The Company shall pay and discharge when due all taxes imposed upon it or upon its income or profits or in respect of its property, before the same shall become overdue by more than 45 days; however, such payment and discharge shall not be required with respect to any such tax so long as the validity or amount thereof is being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves exist.

Section 4.3 Information Regarding Escrow Account. The Company shall furnish to Ovation notice of any change on or prior to the occurrence of any change in or closing of any Escrow Account.

Section 4.4 Maintaining Records; Access to Properties and Inspections. The Company shall keep proper books of record and account in which full, true and correct entries are made. The Company shall permit any representatives designated by Ovation to visit and inspect during normal business hours the corporate, financial and operating records and the properties of the Company upon reasonable advance notice, and to make extracts from and copies of such records, and permit any such representatives to discuss the affairs, finances and condition of the Company with the officers thereof and independent accountants therefor; provided that the Company may participate in any discussions with its accountants; provided, further, that in the absence of the existence of an **Event of Default** (as defined in Section 6), Ovation shall not exercise its rights under this **Section 4.4** more often than two times during any fiscal year and each such time shall be at Ovation's expense; provided, further, that when an Event of Default exists, Ovation and its respective designees may do any of the foregoing at the expense of the Company at any time during normal business hours and upon reasonable advance notice.

SECTION 5 - NEGATIVE COVENANTS

Section 5.1 Conduct of Business. From and after the Effective Date, the Company shall not engage in any business other than (i) the business of funding the escrow accounts of License Applicants seeking to obtain approvals of transfers of licenses from the ABC as required by state regulations and (ii) such other lines of business as the parties may agree.

Section 5.2 Fundamental Changes. The Company may not consolidate or merge with or into or wind up into (whether or not the Company is the surviving entity), and may not sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Company, taken as a whole, in one or more related transactions, to any Person unless:

(a) the Company is the surviving Person formed by or surviving any such consolidation or merger (if other than the Company) or the entity to whom such sale, assignment, transfer, lease, conveyance or other disposition will have been made is organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Person, the “**Successor Company**”);

(b) the Successor Company, if other than the Company, expressly assumes all the obligations of the Company under this Agreement pursuant to documents reasonably satisfactory to Ovation; and

(c) immediately after such transaction, no Event of Default (as defined in Section 6) exists.

The Company shall promptly notify Ovation of any such transaction and shall take all required actions prior to such transaction.

SECTION 6 – EVENTS OF DEFAULT

6.1 Defaults. The occurrence of any one or more of the following events shall constitute an “**Event of Default**”:

(a) The Company fails to pay any Loan payment due on such Loan's Due Date.

(b) The Company defaults in the performance or observance of any agreement, covenant, condition, provision or term contained in this Agreement or any similar loan agreement in effect between the Company and Ovation.

(c) The Company defaults in the performance or observance of any of the other loans, agreements, covenants, conditions, provisions or terms in favor of any other creditor or person that may materially affect any of the Company's ability to repay the Loan.

(d) ANI defaults in the performance or observance of the Escrow Agreement or is otherwise in breach of any term in the Side Agreement.

(e) Any representation or warranty made by the Company herein or any certificate delivered pursuant hereto, or any financial statement or balance sheet delivered to Ovation hereunder, shall prove to have been false in any material respect as of the time when made or given.

(f) Litigation or an administrative proceeding is instituted against the Company or ANI that could, if adversely determined, cause any material adverse change in the Company's or ANI's financial condition or the conduct of its business.

(g) The Company or ANI (i) becomes insolvent; or (ii) is unable, or admits in writing its inability to pay its debts as they mature, (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property, (iv)

becomes the subject of an order for relief within the meaning of the United States Bankruptcy Code, (v) becomes the subject of a creditor's petition for liquidation, reorganization or to effect a plan or other arrangement with creditors, (vi) applies to a court for the appointment of a custodian or receiver for any of its assets, (vii) has a custodian or receiver appointed for any of its assets (with or without its consent), or (viii) otherwise becomes the subject of any insolvency proceedings or propose or enter into any formal or informal composition or arrangement with its creditors.

(h) This Agreement or any of the Loan Documents shall, for any reason, cease to be in full force and effect or be declared null and void, or be revoked or terminated, or the validity or enforceability thereof or hereof shall be contested by the Company or ANI, any member of the Company or ANI, or the Company or ANI shall deny that it has any or further liability or obligation thereunder or hereunder, as the case may be.

Section 6.2 Effect of an Event of Default. Upon the occurrence of an Event of Default, Ovation's obligations under this Agreement to fund Loans shall be suspended until the Event of Default has been cured. If an Event of Default occurs and continues for 10 Business Days following Ovation's delivery to the Company of written notice of such Event of Default, then, at Ovation's option, all Loans will immediately become due and payable without presentment, demand, protest or notice to the Company, all of which are expressly waived by the Company. In such event Company shall make best efforts replace all Deposits (as defined in the Escrow Agreement) in order for ANI to instruct the Escrow Holder to release the Deposits to Ovation in accordance with the Escrow Agreement (it being understood that nothing herein is intended to require ANI to do anything that violates applicable law or ANI's agreement with a License Applicant).

SECTION 7 - INDEMNIFICATION

Section 7.1 Indemnification. The Company agrees to indemnify Ovation against any and all losses, claims, damages, liabilities and expenses, (including, without limitation, reasonable attorneys' fees and expenses) incurred by Ovation arising out of, in any way connected with, or as a result of any claim, litigation, investigation or proceedings related to any of the Loans or other obligations of the Company or ANI, whether or not Ovation is a party thereto; however, such indemnity shall not apply to any such losses, claims, damages, liabilities or related expenses to the extent arising from (a) any unexcused breach by Ovation of its obligations under this Agreement or (b) any commitment made by Ovation to a Person other than the Company that would be breached by the performance of Ovation's obligations under this Agreement.

Section 7.2 Survival. The foregoing agreements and indemnities of this Section 7 shall remain operative and in full force and effect regardless of termination of this Agreement, the consummation of or failure to consummate either the transactions contemplated by this Agreement or any amendment, supplement, modification or waiver, the repayment of any Loan made hereunder, the invalidity or unenforceability of any term or provision of this Agreement or any Loan Document required hereunder or thereunder, or the content or accuracy of any

representation or warranty made under this Agreement or any other document required hereunder or thereunder.

SECTION 8 - MISCELLANEOUS

Section 8.1 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, electronic mail or by facsimile or overnight courier:

If to Ovation:

Ovation Finance Holdings 2 LLC
c/o Joseph T. Kozlowski
Garman Turner Gordon
650 White Drive, Suite 100
Las Vegas, Nevada 89119
Email: mike@ovationpartners.com

With a Copy to:

Dubois Bryant & Campbell, LLP
c/o Howard Nirken
303 Colorado, Suite 2300
Austin, Texas 78701

Email: hnirken@dbcllp.com

If to the Company

Kim H. Peterson
P.O. Box 67637
Rancho Santa Fe, CA 92067
Email: kimharoldpeterson@gmail.com

With a Copy to:

F. Sigmund Luther
5333 Mission Center Road, Suite 360
San Diego, California 92108
Email sig.luther@gmail.com

Section 8.2 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

Section 8.3 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings

and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

Section 8.4 Choice of Law; Venue; Attorney's Fees. This Agreement shall be governed by the laws of the State of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court and each party hereby waives the right to bring an action in any other forum, and consents to removal of an action filed in another forum to the forum specified herein. If an action is commenced to enforce or interpret the terms of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees in addition to any other relief awarded.

Section 8.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any Person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other Person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

Section 8.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. If for any reason any item required to be delivered to Ovation under this Agreement or the Loan Documents is not delivered when required, then the Company shall nevertheless remain obligated to deliver the same to Ovation and nothing shall constitute a waiver by Ovation of any such requirement. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law or in equity, and the provision in this Agreement for any remedy shall not exclude other remedies unless they are expressly excluded.

Section 8.7 Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached.

Section 8.8 Amendment. This Agreement may be amended at any time only by the written agreement of the parties. All amendments, changes, revisions and discharges of this Agreement, in whole or in part, and from time to time shall be binding upon the parties despite any lack of legal consideration, so long as the same shall be in writing and executed by the parties hereto.

Section 8.9 Relationship of Parties. The parties agree that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever. Nothing in this Agreement shall be deemed to create any form of business organization, partnership, association, or joint venture between the parties hereto. No party has any right or authority to assume or create any obligation or responsibility on behalf of the other party. No party shall be in any way liable for any debt of the other party.

Section 8.10 Further Acts. Each party hereby agrees that it shall, upon request of the other party, execute and deliver such further documents (in form and substance reasonably acceptable to the requesting party) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement, without cost, including the execution and delivery of such documents, and the doing of such acts or things as may be required to satisfy the requirements of the Escrow Agreement and for Ovation to fully and adequately perform its investigations of the Escrow Account.

Section 8.11 Confidentiality. Ovation acknowledges that certain information provided to Ovation by the Company is confidential and proprietary information of the Company, if and to the extent such information either (x) is marked as confidential by at the time of disclosure, or (y) should reasonably be understood to be confidential (the "Confidential Information"). Ovation agrees that any Confidential Information it may obtain in the course of evaluating the Company shall not be disclosed to any other Person in any manner whatsoever, in whole or in part, without the prior written consent of the Company, except that Ovation may disclose any such information (a) to its own general partner, limited partners, managers, members, officers, employees, accountants, counsel and other professional advisors and to its affiliates if Ovation in its sole discretion determines that any such party should have access to such information in connection with such party's rights as an investor (regarding limited partners) or responsibilities in connection with the Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information, (b) if such information is generally available to the public, (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over Ovation, (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Ovation's counsel, (e) to comply with any legal requirement or law applicable to Ovation, (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement and any document relating to this Agreement, (g) to any participant or assignee of Ovation or any prospective participant or assignee; provided, that such participant or assignee or prospective participant or assignee agrees to be bound by this Section 8.11 prior to disclosure, or (h) otherwise with the prior consent of the Company.

Section 8.12 Assignment. Except as provided below, neither party may assign all or any part of this Agreement and any purported assignment that does not comply with the conditions below shall be void. Ovation may, without the Company's consent, assign (a) to any Person all Ovation's rights to receive payment under all Loans and/or (b) to any of Ovation's affiliates all of Ovation's rights and obligations under this Agreement, provided that with respect to all such assignments Ovation delivers to the Company (1) at least ten days' prior notice of the date of the proposed assignment and (2) within two business days following completion of the assignment, a copy of the document(s) that evidence the assignment, which document(s) shall provide all information for the Company to provide notice and payments. Ovation may make a partial assignment of Ovation's right to receive payments if Ovation receives the Company's prior written consent thereto, which consent shall not be unreasonably withheld. For any request for the Company's approval of a partial assignment of Ovation's right to payment under this

Agreement, Ovation shall provide to the Company all documents reasonably requested by the Company and the Company shall have 15 days following receipt of such documents to approve or disapprove the proposed partial assignment. No total or partial assignment of Ovation's rights and/or obligations under this Agreement shall relieve Ovation of any of Ovation's obligations under this Agreement.

Section 8.13 No Third Party Beneficiaries. No provisions of this Agreement or any other documents relating thereto are intended, nor will be interpreted, to provide or create any third-party beneficiary rights or any other rights of any kind in any Person other than Ovation and the Company unless specifically provided otherwise herein, and, except as otherwise so provided, all provisions will be personal and solely between the Ovation and the Company.

Section 8.14 Person Defined. As used herein, "Person" shall mean any individual, corporation, partnership, limited liability company, joint venture, estate, trust, unincorporated association, any other entity, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

[THE REST OF THE PAGE IS INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers and representatives as of the day and year first written above.

KIM Funding, LLC

By _____
Kim H. Peterson, Manager

Ovation Finance Holdings 2 LLC

By: Ovation Fund Management II, LLC, its Manager

By: Ovation Management, LLC, its Manager


By  _____
Print Name Michael Rovner
Title Manager

Exhibit A

LOAN REQUEST

Date: _____

To: Ovation Finance Holdings 2 LLC
Email: mike@ovationpartners.com

KIM Funding, LLC ("Borrower"), hereby requests from Ovation Finance Holdings 2 LLC ("Ovation") a Loan in the amount of \$[] on _____, 20__ (the "Loan Date") pursuant to the Loan Agreement between Borrower and Ovation dated as of _____, 2017 (the "Agreement"). Capitalized words and other terms used but not otherwise defined herein are used with the same meanings as defined in the Agreement.

Please wire funds to the Escrow Account, as follows:

Escrow Agent: Chicago Title Company
Bank Name: Union Bank
Bank Address: 1980 Saturn Street, Monterey Park, California 91756
International Swift Code: BOFCUS33MPK
ABA Number: 122000496
Account Number: 0010425492
Account Name: Chicago Title Company
Reference: Escrow/Title Order No. 66061-DD (for escrows opened in 2017)
Escrow Office Name: Della Ducharme Unit

Borrower represents that the conditions precedent to the Loan set forth in the Agreement are satisfied and shall be satisfied upon the making of such Loan, including but not limited to: (i) that no event that has had or could reasonably be expected to have a material adverse effect has occurred and is continuing; (ii) that the representations and warranties set forth in the Agreement are and shall be true and correct in all material respects on and as of the Loan Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date; (iii) that Borrower is in compliance with all the terms and provisions set forth in each Loan Document on its part to be observed or performed; and (iv) that as of the Loan Date, no fact or condition exists that would (or would, with the passage of time, the giving of notice, or both) constitute an Event of Default under the Loan Documents. Borrower understands and acknowledges that Ovation has the right to review the

financial information supporting this representation and Ovation may decline to fund the requested Loan if following such review Ovation reasonably concludes such representation is not accurate in any material respect.

Borrower hereby represents that Borrower's corporate status and locations have not changed since the date of the Agreement.

Borrower agrees to notify Ovation promptly before the funding of the Loan if any of the matters which have been represented above were not true and correct on the Loan Date, and if Lender has received no such notice before the Loan Date, then the statements set forth above shall be deemed to have been made and shall be deemed to be true and correct as of the Loan Date.

Executed as of _____, 20__

KIM FUNDING, LLC

By _____
Kim H. Peterson, Manager

Exhibit B

Escrow No. 66061-DD [for 2017 escrows]

Chicago Title Company
701 B Street, Suite 760
San Diego, California 92101

**ESCROW AGREEMENT
(Holding Funds)**

This Escrow Agreement ("Agreement") is made and entered into as of _____, 2017, by and between ANI Development, LLC, a California limited liability company ("Lender"), and Chicago Title Company, a California corporation ("Escrow Holder").

R E C I T A L S

Lender desires to deposit certain funds and direct others to deposit certain funds (the "Deposit") into this Escrow and to provide Escrow Holder with written instructions setting forth the conditions under which Escrow Holder will invest and hold the funds and ultimately disburse them.

Lender and Escrow Holder understand that this is a limited escrow only and is being opened for the benefit of _____ ("Applicant"), who is applying for approval of a transfer to Applicant of a license issued by the California Department of Alcoholic Beverage Control ("ABC") under Business and Professions Code sections 24070-24082. The license that is the subject of Applicant's application to ABC is License No. _____ ("the License").

NOW, THEREFORE, the parties agree as follows:

A G R E E M E N T S

Deposit. Within five business days following the date this Agreement is signed by Lender and Escrow Holder, Lender will cause to be deposited a total sum of \$_____ (the "Deposit") with Escrow Holder for the refundable deposit for Applicant's application to ABC for approval of transfer to Applicant of the License. The source of funds for the Deposit shall be from an account at _____ in the name of Ovation Finance Holdings 2 LLC, a Nevada limited liability company ("Ovation"). Escrow Holder will do the following:

Invest Funds. Place the Deposit into an interest-bearing account with all interest accruing to the account of Lender. Concurrently herewith, Lender will provide Escrow Holder with the required IRS Form W-9 and Investment Instructions required to establish such account.

226 Form. Escrow Holder shall send to ABC a completed Form 226 upon Escrow Holder's receipt of the Deposit.

Ownership of Deposit. It is acknowledged and understood that only Ovation has an ownership interest in the Deposit and that Lender has no ownership interest in the Deposit and has no right to direct the disposition of the Deposit except as set forth in and as provided in the Release of Deposit paragraph as follows.

Release of the Deposit. At any time, Lender may provide written instructions to Escrow Holder to release all of the Deposit and the interest thereon only to the account set forth below. During the term of this Escrow, upon the written instructions from Lender, Escrow Holder will disburse the Deposit and, as instructed by Lender, interest thereon at ten percent (10%) per annum only to the following account:

Wells Fargo Bank
ABA # 121000248
FCC: Ovation Finance Holdings 2 LLC
A/C# 7008872090

Ovation may provide Escrow Holder different account information upon written notice to Lender and Escrow Holder. Upon receipt of such instructions, Escrow Holder's only duty is to comply with said instructions and to disburse the Deposit and interest thereon as requested by Lender, and in accordance with this Escrow Agreement.

Escrow Holder's Requirement to Terminate Escrow. Escrow Holder shall terminate this Escrow upon the instructions of Lender or 365 days after this Escrow has been opened, unless requested to do otherwise by both Lender and Ovation. At the time that this Escrow is terminated, Escrow Holder shall disburse from the account referenced above (1) to Ovation the Deposit and interest thereon at ten percent per annum commencing on the date the Deposit was received by Escrow Holder, (2) to Escrow Holder for Escrow Holder's unpaid fees, and (3) to Lender all funds remaining in the account referenced above.

Escrow Holder's Fee. Lender shall pay to Escrow Holder a fee in the amount of \$1,000.00 for Escrow Holder's services provided in connection with this Escrow, which fee shall be paid \$500.00 upon Escrow Holder's receipt of the Deposit and \$500.00 upon Escrow Holder's release of the Deposit.

Escrow Holder's General Provisions. By signature hereon, Lender approves Escrow Holder's General Provisions, a copy of which is attached to this Agreement as Exhibit "A" and are incorporated by reference as if fully set forth in this section.

Escrow Holder's Wiring Instructions. By signature hereon, Lender approves Escrow Holder's Wiring Instructions directive, a copy of which is attached to the Agreement as Exhibit "B" and are incorporated by reference as if fully set forth in this section.

Third-Party Beneficiary. The Lender and the Escrow Holder agree that Ovation shall be, and is hereby, named an express third party beneficiary of the parties' obligations under this Agreement, with full rights as such. The language of this Agreement relating to "Release of

Deposit” and “Escrow Holder’s Requirement to Terminate Escrow” cannot be amended without the advance written consent of Ovation. Nothing contained in this Agreement shall be construed to alter the rights or obligations of Lender and Ovation under the Loan Agreement between Lender and Ovation.

IN WITNESS WHEREOF, this Agreement has been executed by the parties effective as of the date indicated above.

LENDER

ANI Development, LLC,
a California limited liability company
3515 Hancock Street, Suite 200
San Diego, CA 92110

By _____
Gina Champion-Cain

Date: _____, 2017

ESCROW HOLDER

Chicago Title Company,
a California corporation

By _____

Print Name: _____

Date: _____, 2017

IN WITNESS WHEREOF, ANI has caused this Agreement to be duly executed by its authorized officer as of the day and year first written above.

ANI Development, LLC

By _____
Name: Gina Champion-Cain
Title:

Ovation Finance Holdings 2 LLC
By: Ovation Fund Management II LLC, its Manager
By: Ovation Management, LLC, its Manager

By  _____
Michael Rovner, Manager

Section 1.6 Survival. The foregoing agreements shall remain operative and in full force and effect regardless of (i) the termination of the Loan Agreement, (ii) any amendment, supplement, modification or waiver thereof, (iii) the invalidity or unenforceability of any term or provision of the Loan Agreement or any Loan Document required thereunder or this Agreement (iv) or the content or accuracy of any representation or warranty made under the Loan Agreement or any other document required hereunder or thereunder.

Section 1.7 Choice of Law; Venue; Attorney's Fees. This Agreement shall be governed by the laws of the State of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court. If an action is commenced to enforce or interpret the terms of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees in addition to any other relief awarded.

Section 1.8 Assignment. ANI may not assign all or any part of this Agreement, and any purported assignment shall be void.

Signature page follows

any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement and the Escrow Agreement or any other documents relating to this Agreement or Escrow Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been satisfied.

(e) There is no fact known to ANI which materially adversely affects or in the future may (so far as ANI can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of ANI which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to Ovation by or on behalf of ANI prior to the date hereof in connection with the transactions contemplated hereby.

(f) ANI is not a party to any litigation or administrative proceeding, nor so far as is known by ANI is any litigation or administrative proceeding threatened against ANI which could, if adversely determined, cause any material adverse change in its property, financial condition or the conduct of the business of ANI.

(g) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of ANI the right to accelerate the maturity of any indebtedness of ANI for borrowed money. ANI is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its respective property, financial condition or business operations.

(h) The Escrow Agreements executed by ANI and the Escrow Holder constitute valid and legally binding obligations of the parties thereto, enforceable in accordance with its terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

Section 1.5 Affirmative Covenants.

(a) ANI will do or cause to be done all things reasonably necessary to:

- (i) preserve, renew and keep in full force and effect its legal existence under the laws of its jurisdiction of organization;
- (ii) do or cause to be done all things reasonably necessary to the conduct of its business; and
- (iii) comply in all material respects with applicable laws, rules, regulations and decrees and orders of any governmental authority, whether now in effect or hereafter enacted.

Section 1.2 Access. ANI shall permit any representatives designated by Ovation to visit and inspect during normal business hours the corporate, financial and operating records and the properties of ANI upon reasonable advance notice, and to make extracts from and copies of such records, and permit any such representatives to discuss the affairs, finances and condition of ANI with the officers thereof and independent accountants therefor; provided that ANI may participate in any discussions with its respective accountants; provided, further, that in the absence of the existence of an Event of Default, Ovation shall not exercise its rights under this Section 1.2 more often than two times during any fiscal year and each such time shall be at Ovation's expense; provided, further, that when an Event of Default exists, Ovation and its respective designees may do any of the foregoing at the expense of ANI at any time during normal business hours and upon reasonable advance notice.

Section 1.3 No Merger, etc. ANI shall not (i) consolidate or merge with or into or wind up into (whether or not ANI is the surviving entity), (ii) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its respective properties or assets, taken as a whole, in one or more related transactions, to any Person unless:

(a) ANI is the surviving Person formed by or surviving any such consolidation or merger (if other than ANI or the entity to whom such sale, assignment, transfer, lease, conveyance or other disposition will have been made is organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Person, the “**Successor Company**”));

(b) the Successor Company, if other than ANI, expressly assumes all the obligations of ANI hereunder or under the Escrow Agreement pursuant to documents reasonably satisfactory to Ovation; and

(c) immediately after such transaction, no Event of Default exists.

ANI shall promptly notify Ovation of any such transaction and shall take all required actions prior to such transaction.

Section 1.4 Representations. ANI hereby represents to Ovation that:

(a) It is duly organized and validly existing under the laws of the jurisdiction or incorporation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement, the Escrow Agreement and any documents required by this Agreement, the Loan Agreement and the Escrow Agreement (collectively the “**Transaction Documents**”), to deliver and to perform its obligations under the Transaction Documents and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance of this Agreement and the Escrow Agreement, and any other documents that are required by the Transaction Documents do not violate or conflict with any law applicable to it, any provision of its organizational documents,

SIDE AGREEMENT

THIS SIDE AGREEMENT (this “**Agreement**”), dated as of July 13, 2017, is entered into by ANI Development, LLC, a California limited liability company (“**ANI**”), in favor of Ovation Finance Holdings 2 LLC, a Nevada limited liability company (“**Ovation**”).

RECITALS

Whereas, KIM Funding, LLC, a California limited liability company (“**KIM Funding**”), an affiliate of ANI, seeks financing, the proceeds of which are to be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcohol Beverage Control as required by state regulations (each an “**Escrow Account**”);

Whereas, Ovation is willing to provide such funding under the terms and conditions of a Loan Agreement dated as of even date herewith between KIM Funding and Ovation (the “**Loan Agreement**”; all capitalized terms used herein but not otherwise defined herein shall have the meanings given them in the Loan Agreement, a copy of which is attached hereto as Exhibit A);

Whereas, the Loan Agreement anticipates that ANI will establish with Chicago Title (“**Escrow Holder**”) an Escrow Account into which Ovation shall fund Loans (defined in the Loan Agreement) pursuant to the Loan Agreement, which Escrow Account shall be subject to an escrow agreement in which Ovation shall be a third party beneficiary thereof and owner of the escrow account thereunder (the “**Escrow Agreement**”), to accept the proceeds of each Loan; and

Whereas, Ovation is willing to advance the Loans to KIM Funding on the terms and conditions set forth in the Loan Agreement, contingent upon ANI delivering this Agreement to Ovation;

Therefore in order to induce Ovation to enter into the Loan Agreement and fund Loans thereunder, ANI hereby agrees as follows:

Section 1.1 Instructions to Escrow Agent. ANI shall instruct the Escrow Holder to pay to Ovation from each applicable Escrow Account all amounts due and owing with respect to a Loan on the Due Date of such Loan. In furtherance thereof, ANI agrees to comply with all of its obligations under each Escrow Agreement, including without limitation its obligation to provide written instructions to Escrow Holder to release all of the Deposit and the interest thereon to Ovation at each such Due Date. It is expressly understood by ANI that it may only release the Deposit (as defined in the Escrow Agreement) to Ovation and shall not take any action to contravene this Side Letter. It is further understood that in an Event of Default (as defined in the Loan Agreement), if Kim Funding replaces the Deposits (as defined in the Escrow Agreement) as set forth in Section 6.2 of the Loan Agreement, ANI shall instruct the Escrow Holder to release the Deposits that have been replaced back to Ovation in accordance with the Escrow Agreement (it being understood that nothing herein is intended to require ANI to do anything that violates applicable law or ANI’s agreement with an applicant).

EXHIBIT K

EXHIBIT K

BakerHostetler

Baker&Hostetler LLP

45 Rockefeller Plaza
New York, NY 10111

T 212.589.4200
F 212.589.4201
www.bakerlaw.com

Amy E. Vanderwal
direct dial: 212.589.4612
avanderwal@bakerlaw.com

December 29, 2021

VIA FEDEX

Attn: ANI Claims Process Administrator
E3 Advisors
501 West Broadway, Suite 290
San Diego, CA 92101

Re: *ABC Funding Strategies, LLC Claim for Submission in Securities and Exchange
Commission v. Gina Champion-Cain, et al., Case No. 19-cv-01628-LAB-AHG*

To Whom it May Concern:

Enclosed within are the proof of claim, explanatory statement, and exhibits for submission in the above captioned matter.

The original signatures will follow.

Sincerely,

Baker & Hostetler LLP

/s/Amy E. Vanderwal

Amy E. Vanderwal
Partner

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
CASE NO. 3:19-cv-01628-LAB-AHG

INVESTOR PROOF OF CLAIM FORM

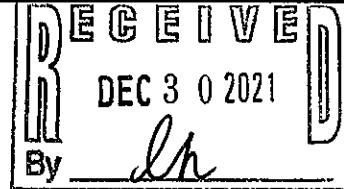
SECURITIES AND EXCHANGE COMMISSION

vs.

GINA CHAMPION-CAIN; ANI DEVELOPMENT, LLC;
DEFENDANTS

and

AMERICAN NATIONAL INVESTMENTS, INC.;
RELIEF DEFENDANT



THIS SPACE RESERVED FOR ADMINISTRATIVE
USE ONLY

PLEASE READ THE ACCOMPANYING LETTER INSTRUCTIONS BEFORE COMPLETING
THIS FORM, IT MUST BE RETURNED ON OR BEFORE **DECEMBER 31, 2021**

As reflected in Section 3 below, the Receiver has calculated the Net Loss Amount, the net amount of actual payments you made to and received from the Receivership Entities or others in connection with the scheme.

If the investor name and amounts listed in Section 3 below are consistent with your records, you do not need to provide any documents or further information; you need to simply complete and sign this Proof of Claim Form, complete and sign the enclosed W9 Form, and return both forms to: **E3 Advisors, Attn: ANI Claims Process Administrator, 501 West Broadway, Suite 290, San Diego, CA 92101.**

If your records are not consistent with the investor name or amounts listed in Section 3 below, you will need to provide further documentation, as described on the last page of this document. Please keep in mind that pursuant to the Court's order, an allowed claim shall not include claims for interest, late fees, contract or other damages, contingent or liquidated damages, or legal fees incurred.

The Receiver will review each Proof of Claim Form, attempt to resolve any questions or disputes directly with the claimant, and will ultimately make a recommendation to the Court to allow or disallow part or all of the claim. Claimants will receive notice and an opportunity to respond if the Receiver disagrees with the amount stated on their claim. For claims that are allowed, distributions will be made pursuant to a Court-approved distribution plan. The amount distributed will depend on the total amount of allowed claims, the total assets available for distribution, and the terms of the distribution plan.

Submission of a claim does not guarantee the claims will be allowed or any payment will be made. The claim must be allowed by the United States District Court for the Southern District of California ("Court").

ADDRESS OF CLAIMANT:

(x) Check this box **ONLY** if your current address or contact information has changed and, if so, please print your updated address and/or contact information here:

Updated Address: ABC Funding Strategies, LLC

P.O. Box 676237, Rancho Santa Fe, CA 92067

Telephone No. of Claimant: (858) 481-3539

Email Address of Claimant: kimharoldpeterson@gmail.com

() Check this box **ONLY** if you have an alternative contact for your investments. If so, please include all contact details here (you must also attach a Power of Attorney, Death Certificate, Trust Beneficiary, or other legal documentation, as applicable, which legally authorizes contact with such individual or entity):

Alternative Contact Name:

Alternative Contact Address:

Telephone No. of Alternative Contact: _____

Email Address of Alternative Contact: _____

Please complete the following:

1. Was your investment/loan made from an IRA account? **NO**

If YES, please print the IRA Custodian name, address and phone number as well as your account number here:

Custodian Name and Address: _____

Telephone No. of Custodian: _____

Email Address of Custodian: _____

Account Number: _____

2. Name as it should appear on distribution check (if YES on Item 1. above, be certain to clarify if such payment is to be made payable to and sent directly to the IRA Custodian or to you individually):

Payee: ABC Funding Strategies, LLC _____

Payment Address (only IF different than address on file):

Payment Address: _____

NET LOSS CALCULATION(S): See Attached Explanatory Statement

According to the records of the Receivership Entities, it appears, you have made the following investments in and received the following payments from the Receivership Entities or others in connection with the scheme (to include payments to you made from Chicago Title):

DETAILED CHART ON FOLLOWING PAGE(s)

If the information above is not consistent with your records (investor name or amounts), you will need to provide corrected information in the same format as Section 3 above (attach additional sheets if necessary) and supporting documentation, further discussed below.

3. **Supporting Documents:** **DO NOT SEND** copies of supporting documents if you agree with the information listed in Section 3 above. However, if you dispute the investor name or amounts listed in Section 3 above, **DO SEND COPIES ONLY** of all documents which support your corrected investment information along with your completed and signed Proof of Claim and W9 Forms to: E3 Advisors, Attn: ANI Claims Process Administrator, 501 West Broadway, Suite 290, San Diego, CA 92101. Examples of supporting documentation include bank statements, canceled checks, wire transfer documents, contracts, email messages, or other written correspondence. If the Receiver has questions or needs further information, her office will contact you.

4. **Date Stamped Copy:** To receive an acknowledgement of the filing of your Proof of Claim Form, please enclose a stamped, self-addressed envelope and an additional copy of this Proof of Claim Form.

5. **Signature:** Sign and print the name and title, if any, of the claimant or other person authorized to file this claim (attach copy of power of attorney, death certificate, trust beneficiary, or other documents as needed). **YOU MUST PROVIDE AN ORIGINAL SIGNATURE.**

PLEASE NOTE that we cannot provide you with tax or legal advice relating to your claim. If you have concerns about the tax or legal implications of your claim, please contact an attorney or your tax advisor.

By Signing My/Our Name Below, I/We Acknowledge and Affirm that: I/we will supplement this Proof of Claim Form if any information given later becomes inaccurate or incomplete; I/we am/are a creditor of the Receivership Entities; I/we hereby affirm that the answers provided herein are truthful; and that I/we understand that this Proof of Form is submitted under penalty of perjury.

Date: _____, 2021

ABC Funding Strategies, LLC

Signature: _____

Name: ABC Funding Strategies Management, LLC
by Kim H. Peterson

Title (if any) Manager

Signature: _____

Name: ABC Funding Strategies Management, LLC
by Joseph J. Cohen

Title (if any) Manager

If the information above is not consistent with your records (investor name or amounts), you will need to provide corrected information in the same format as Section 3 above (attach additional sheets if necessary) and supporting documentation, further discussed below.

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5. **Signature:** Sign and print the name and title, if any, of the claimant or other person authorized to file this claim (attach copy of power of attorney, death certificate, trust beneficiary, or other documents as needed). **YOU MUST PROVIDE AN ORIGINAL SIGNATURE.**

PLEASE NOTE that we cannot provide you with tax or legal advice relating to your claim. If you have concerns about the tax or legal implications of your claim, please contact an attorney or your tax advisor.

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Date: 12/7/21, 2021

ABC Funding Strategies, LLC

Signature: [Signature]

Name: ABC Funding Strategies Management, LLC
by Kim H. Peterson

Title (if any) Manager

Signature: _____ Name: ABC Funding Strategies Management, LLC
by Joseph J. Cohen

Title (if any) Manager

If the information above is not consistent with your records (investor name or amounts), you will need to provide corrected information in the same format as Section 3 above (attach additional sheets if necessary) and supporting documentation, further discussed below.

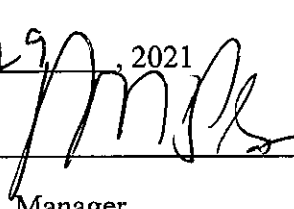
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PLEASE NOTE that we cannot provide you with tax or legal advice relating to your claim. If you have concerns about the tax or legal implications of your claim, please contact an attorney or your tax advisor.

By Signing My/Our Name Below, I/We Acknowledge and Affirm that: I/we will supplement this Proof of Claim Form if any information given later becomes inaccurate or incomplete; I/we am/are a creditor of the Receivership Entities; I/we hereby affirm that the answers provided herein are truthful; and that I/we understand that this Proof of Form is submitted under penalty of perjury.

Date: 12/29, 2021
Signature:  Name: Kim Funding, LLC by Kim H. Peterson
Title (if any) Manager

Signature: _____ Name: _____
Title (if any) _____

Substitute FORM W-9
Taxpayer Identification Number Certification

Social Security Number / Taxpayer Identification Number: 47-2498202

Exempt Payee Code (if any) _____ Exemption from FATCA reporting code (if any) _____

Check appropriate box for federal tax classification:

☐ Individual ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate ☐ Other

☒ Limited Liability Company - choose tax classification ☐ C Corporation ☐ S Corporation ☒ Partnership

Print your name as it appears on your federal income tax return:

ABC FUNDING STRATEGIES, LLC
First Name and Last Name, for Individuals. Entity Name for businesses and trusts.

Under penalty of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number; **and**
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; **and**
3. I am a U.S. citizen or other U.S. person (including a U.S. resident alien); **and**
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Note: If you have been notified by the IRS that you are subject to backup withholding, you must cross out item 2 above.

Signature
of U.S. Person: [Signature] Date: 12/20/21

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.
GINA CHAMPION-CAIN and ANI
DEVELOPMENT, LLC,

Defendants,

AMERICAN NATIONAL
INVESTMENTS, INC.,

Relief Defendant.

Case No. 3:19-cv-01628-LAB-AHG

**EXPLANATORY STATEMENT TO
PROOF OF CLAIM OF ABC
FUNDING STRATEGIES, LLC**

On August 28, 2019, (the “Filing Date”) the United States Securities and Exchange Commission commenced the above captioned action by filing a complaint against Gina Champion-Cain and ANI Development, LLC (“ANI”) alleging violations of federal securities laws. The Court entered an order on September 3, 2019, appointing Krista Freitag (“Receiver”) as permanent receiver for ANI, American Investments, Inc., and their subsidiaries and affiliates (the “Receivership Entities”), as more particularly identified in that order.

Prior to the Filing Date, ABC Funding Strategies, LLC, (“ABC Funding”) provided funding to ANI pursuant to a funding agreement (“Funding Agreement”) between ABC Funding and ANI, which is attached hereto as Exhibit No. 1. As of the Filing Date, the amount owed to ABC Funding under the Funding Agreement is at least \$10,434,166.92.

ABC Funding files this proof of claim (“Claim”) asserting, without limitation, a claim for no less than **\$10,434,166.92**. ABC Funding reserves the right to amend

1 and/or supplement this Claim at any time, in any manner, and for any purpose. ABC
2 Funding further reserves the right to file additional proofs of claim for additional
3 claims which may be based on the respective rights and obligations arising under the
4 documents attached to this Claim, the relationships identified herein or the same
5 events and circumstances referred to herein.

6 ABC Funding further reserves, without limiting the generality of the
7 foregoing, the right to amend and/or supplement the calculation of amounts owing
8 to ABC Funding, to attach or bring forth additional documents supporting its Claim,
9 and additional documents that may become available after further investigation and
10 discovery.

11 The filing of this Claim shall not constitute a waiver or release of any of ABC
12 Funding's rights, including, without limitation, (a) ABC Funding's rights against the
13 Receivership Entities, the Receiver, or any other person, entity, or property; (b) ABC
14 Funding's right to contest the jurisdiction of this Court with respect to the subject
15 matter of the Claim, any objection or other proceeding commenced with respect
16 thereto or any other proceeding commenced in this case against or otherwise
17 involving ABC Funding, (c) ABC Funding's election of remedies or choice of law,
18 (d) any right to trial by jury that ABC Funding may have in any civil proceeding
19 arising in or related to this case, or (e) any rights not already referenced in the
20 foregoing.

21 This Claim shall not constitute a waiver of any netting or setoff rights that
22 ABC Funding may have under applicable law.

23 ABC Funding further reserves all and any rights against parties other than the
24 Receivership Entities based on the facts and circumstances described herein.

25 All notices with respect to this Claim should be sent to:

26 ABC Funding Strategies, LLC
27 P.O. Box 676237
Rancho Santa Fe, CA 92067
28 Attention: Kim H. Peterson
Phone: (858) 481-3539
Email: kimharoldpeterson@gmail.com

1 with copies to:

2 **BAKER & HOSTETLER LLP**

3 Amy E. Vanderwal, Esq.
4 45 Rockefeller Plaza
5 New York, NY 10111
6 Phone: (212) 589-4200
7 Facsimile: (212) 589-4201
8 Email: avanderwal@bakerlaw.com

9 - and -

10 Lauren T. Attard, Esq.
11 11601 Wilshire Boulevard
12 Suite 1400
13 Los Angeles, CA 90025
14 Phone: (310) 820-8800
15 Facsimile: (310) 820-8859
16 Email: lattard@bakerlaw.com

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[Remainder of page intentionally left blank]

1 Dated: December __, 2021

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3 ABC FUNDING STRATEGIES, LLC

4 By ABC FUNDING STRATEGIES
5 MANAGEMENT, LLC

6 By: 

7
8 KIM H. PETERSON, MANAGER

9
10 By: _____

11 JOSEPH J. COHEN, MANAGER

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1 Dated: December __, 2021

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3 ABC FUNDING STRATEGIES, LLC

4 By ABC FUNDING STRATEGIES
5 MANAGEMENT, LLC

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7 By: _____
8 KIM H. PETERSON, MANAGER

9
10 By:  _____
11 JOSEPH J. COHEN, MANAGER

EXHIBIT 1

Funding Agreement
(ABC Funding Strategies, LLC)

This Agreement, dated January 16, 2015, is executed by (1) ANI Development, LLC, a California limited liability company ("ANI"), and (2) ABC Funding Strategies, LLC, a Delaware limited liability company ("AFS"). This Agreement is executed with reference to the following facts:

A. ANI has a finance lender's license issued by California Department of Corporations, License No. 603 K570.

B. ANI is in the business of delivering funds to Escrow Holder (defined below) to satisfy the requirements of California Department of Alcoholic Beverage Control ("ABC") that, in connection with an application for transfer of a license issued by ABC, the applicant deposit in escrow all or a portion of the consideration proposed to be paid by the applicant to the holder of the license, and such funds remain held in escrow pending ABC's approval of the application or cancellation of the escrow following ABC's disapproval of the application.

C. ANI and AFS desire that AFS furnish to ANI funds to fund escrows related to transfers of licenses issued by ABC.

In consideration of the above recitals and the mutual agreements stated below, the parties agree:

1. Definitions. The following terms shall have the following definitions in this Agreement:

1.1 ABC. California Department of Alcoholic Beverage Control.

1.2 ABC Deposit Requirement. ABC's requirement that in connection with an application for ABC's approval of a transfer of an ABC License by a Seller to an Applicant, the Applicant make a deposit to be held in escrow pending ABC's approval or disapproval of such transfer.

1.3 ABC License. A license issued by ABC.

1.4 AFS's Cost of Funds. The amount AFS is required to pay to (1) AFS's members; however, the amount owed to AFS's members shall not exceed the sum of (i) refund of the amount deposited by AFS into Funds Deposit Escrows, (ii) interest on funds deposited into Funds Deposit Escrows at the rate of 11 percent per annum for the period such funds remain in Funds Deposit Escrows, and (iii) Idle Funds Interest (defined below), (2) Escrow Holder for fees in connection with a Funds Deposit Escrow to the extent that such fees are not reimbursed or paid directly by an Applicant, (3) Escrow Holder and/or financial institutions for wire transfer fees for transfer of funds in and out of Funds Deposit Escrows, and (4) out-of-pocket fees for bookkeeping/accounting. ANI acknowledges that AFS's members are entitled to a fixed return of (1) 9 percent per annum for a member that has contributed to AFS less than \$250,000.00,

(2) 10 percent per annum for a member that has contributed to AFS at least \$250,000.00, but less than \$500,000.00 and (3) 11 percent per annum for a member that has contributed to AFS \$500,000.00 or more. As used herein, "**Idle Funds Interest**" shall mean interest AFS's members are entitled to receive on funds from Members that are not in Funds Deposit Escrows; however, for purposes of determining AFS's Cost of Funds, Idle Funds Interest shall not exceed \$75,000.00 in any calendar year, and such maximum amount shall be prorated for a partial calendar year.

1.5 **Aggregate Net Proceeds.** The aggregate amount of all Escrow Net Proceeds.

1.6 **Applicant.** A person or entity that has (1) been referred to ANI by William Adam, attorney located in Sacramento, and (2) applied or is in the process of applying to ABC for ABC's approval for transfer by a Seller to the Applicant of an ABC License.

1.7 **Applicant Loan Agreement.** An agreement between ANI and an Applicant by which (1) ANI agrees to deliver to Escrow Holder the funds required to satisfy the Applicant's ABC Deposit Requirement and (2) the Applicant agrees to pay to ANI compensation for ANI's delivery to Escrow Holder of such funds. Each Applicant Loan Agreement shall provide:

1.7.1 If the Applicant's License Transfer Escrow is terminated because ABC disapproves the Applicant's application for transfer of the ABC License or the Applicant withdraws the application, the Applicant shall not be obligated to pay anything to ANI.

1.7.2 If the Applicant's application is approved, the Applicant shall (1) replace with Applicant's funds the full amount of the deposit made into the Funds Deposit Escrow and (2) the Applicant shall pay ANI compensation equal to the following:

<u>Applicable Period Funds Held in Funds Deposit Escrow</u>	<u>Compensation Amount</u>
1 Day to End of 4 Months	15% of Deposit Amount
4 Months + 1 Day to End of 5 Months	16% of Deposit Amount
5 Months + 1 Day to End of 6 Months	18% of Deposit Amount
6 Months + 1 Day and Longer	20% of Deposit Amount

1.8 **Escrow Holder.** Chicago Title Company or such other licensed escrow company that ANI and AFS may agree to use to hold funds pursuant to a Funds Deposit Escrow.

1.9 **Escrow Net Proceeds.** The total amount paid to ANI by an Applicant pursuant to an Applicant Loan Agreement less AFS's Cost of Funds with respect to a specific Funds Deposit Escrow. Escrow Net Proceeds shall also include interest accrued on funds held in a Funds Deposit Escrow.

1.10 **Funding Notice.** A written notice sent by ANI to AFS that contains (1) names of prospective Applicants and (2) the amount each such Applicant is required to

deposit with Escrow Holder to satisfy the ABC Deposit Requirement. Promptly following ANI's receipt from William Adam of a list of prospective Applicants, ANI shall deliver to AFS and Kim Funding, LLC, a Funding Notice related to such Applicants.

1.11 Funds Deposit Escrow. An escrow established by ANI with Escrow Holder to hold the funds delivered to satisfy an Applicant's ABC Deposit Requirement. Each Funds Deposit Escrow shall be related to, but a separate escrow from, the Applicant's License Transfer Escrow.

1.12 Funds Deposit Escrow Instructions. Written instructions to Escrow Holder to establish a Funds Deposit Escrow, which instructions shall be substantially in form and of content as Exhibit 1 attached hereto. ANI and AFS agree to make modifications to the Funds Deposit Escrow Instructions as may be reasonably required by Escrow Holder. Fund Deposit Escrow Instructions shall be completed to conform to the manner in which funds are to be disbursed, as described in Paragraph 3 below.

1.13 License Transfer Escrow. An escrow established with Escrow Holder to facilitate the transfer by a Seller to an Applicant of the Seller's ABC License.

1.14 Seller. The holder of an ABC License that has executed an agreement with an Applicant to sell such ABC License to the Applicant pursuant to a License Transfer Escrow.

2. Delivery of Funds for Funds Deposit Escrow. Within 10 business days following AFS's receipt of a Funding Notice, AFS shall deliver to ANI a notice ("**a Funding Response Notice**") stating that AFS will fund all of the amounts shown on the Funding Notice or stating which Applicants for whom AFS will fund the deposit amounts shown on the Funding Notice. With respect to each Applicant's deposit that AFS has agreed to fund, ANI shall establish with Escrow Holder a Funds Deposit Escrow by executing and delivering to Escrow Holder Funds Deposit Escrow Instructions. In advance of ANI's delivery to Escrow Holder of the Funds Deposit Escrow Instructions, AFS shall furnish to ANI the name and account transfer information to fund the Funds Deposit Escrows. Within five business days following AFS's receipt from ANI of a copy of signed Funds Deposit Escrow Instructions related to an Applicant identified on a Funding Response Notice, AFS shall cause to be delivered to Escrow Holder the amount of the deposit identified on AFS's Funding Response Notice that AFS agreed to fund for such Applicant. ANI and AFS acknowledge and agree (1) ANI and Kim Funding, LLC, are parties to a funding agreement similar to this Agreement and (2) if AFS and Kim Funding, LLC, both deliver to ANI a Funding Response Notice by which AFS and Kim Funding, LLC, each agrees to fund one or more of the same Applicants, then Kim Funding, LLC, shall have priority and be entitled to furnish funds to the Funds Deposit Escrow(s) for such Applicant(s).

3. Allocation and Distribution of Aggregate Net Proceeds. ANI shall be entitled to 20 percent of Aggregate Net Proceeds and AFS shall be entitled to 80 percent of Aggregate Net Proceeds.

3.1 Disbursement upon Termination of Funds Deposit Escrow. Upon termination of a Funds Deposit Escrow established with funds from AFS all of the funds in the Funds Deposit Escrow shall be disbursed by Escrow Holder to AFS. On a quarterly basis, AFS shall disburse to ANI 20 percent of the amount by which the disbursements to AFS exceeds the amount deposited by AFS into the Funds Deposit Escrows and AFS's Cost of Funds related to such Funds Deposit Escrow. For example, if (1) AFS deposited \$1,000,000.00 into the Funds Deposit Escrows, (2) upon termination of the Funds Deposit Escrows, Escrow Holder disbursed to AFS \$1,150,000.00, and (3) AFS's Cost of Funds for such Funds Deposit Escrows was \$1,062,000.00 (consisting of \$1,000,000.00 deposit amounts, \$50,000.00 interest on deposit amounts, and \$12,000.00 Escrow Holder and other costs), then AFS would disburse to ANI \$17,600.00 (i.e., $(\$1,150,000.00 - \$1,062,000.00) \times .2 = \$17,600.00$) and AFS would retain \$1,132,400.00 (i.e., $((\$1,150,000.00 - \$1,062,000.00) \times .8) + \$1,062,000.00 = \$1,132,400.00$). If the exact amount of AFS's Cost of Funds related to such terminated Funds Deposit Escrows cannot be determined, then (1) the initial disbursements between AFS and ANI shall be made based upon a reasonable estimate of AFS's Cost of Funds and (2) adjustments shall be made following AFS's preparation of a Reconciliation Statement, as provided below.

3.2 Reconciliation. From time to time, but not less than annually, AFS shall provide to ANI a statement ("**a Reconciliation Statement**") that shows (1) the total amount disbursed to AFS by Escrow Holder from terminated Funds Deposit Escrows for the time period covered by the Reconciliation Statement, (2) AFS's Cost of Funds for the period covered by the Reconciliation Statement, (3) calculation of Aggregate Net Proceeds for the time period covered by the Reconciliation Statement, (4) amount disbursed to ANI during the period covered by the Reconciliation Statement, and (5) the amount owed (i) to ANI if the aggregate amount previously disbursed to ANI for the time period covered by the Reconciliation Statement is less than 20 percent of the Aggregate Net Proceeds for the time period covered by the Reconciliation Statement or (ii) by ANI if the aggregate amount previously disbursed to ANI for the time period covered by the Reconciliation Statement exceeds 20 percent of the Aggregate Net Proceeds for the time period covered by the Reconciliation Statement. If the Reconciliation Statement shows that the amounts previously disbursed to and retained by ANI for Escrow Net Proceeds covered by the Reconciliation Statement exceeds 20 percent of the Aggregate Net Proceeds shown on the Reconciliation Statement, then, within 10 days following ANI's receipt of the Reconciliation Statement, ANI shall pay AFS the amount of such excess. If the Reconciliation Statement shows that the amounts previously disbursed to and retained by ANI for Escrow Net Proceeds covered by the Reconciliation Statement are less than 20 percent of the Aggregate Net Proceeds shown on the Reconciliation Statement, then, within 10 days following ANI's receipt of the Reconciliation Statement, AFS shall pay ANI the amount of such deficit. If Escrow Holder (or Escrow Holder's bank or other depository institution) issues to ANI a Form 1099 for interest accrued on funds held in Funds Deposit Escrows, ANI may issue to AFS a Form 1099 for 80 percent of such interest. ANI may, from time to time, review AFS's books and records pertaining to AFS's Cost of Funds and disbursements to AFS from Funds Deposit Escrows; however, AFS and ANI agree that no adjustment shall be made to AFS's determination of Aggregate Net Proceeds shown on a Reconciliation Statement more than one year after ANI's receipt of the Reconciliation Statement.

4. Term of Agreement. The term of this Agreement commences on the date hereof and shall expire on the date that is 15 years following the date of this Agreement, unless sooner terminated upon the occurrence of the following:

4.1 Material Breach. Material breach by either party to this Agreement if such breach continues for 30 days following delivery by the non-breaching party to the breaching party of written notice of such breach.

4.2 Failure to Deliver Funding Notices. ANI's failure, within 30 days following ANI's receipt of an AFS Termination Notice to deliver to AFS one or more Funding Notices for prospective Applicants whose deposit requirements aggregate at least \$1,000,000.00. AFS may deliver to ANI a written notice to terminate ("**a AFS Termination Notice**") if, at any time, the aggregate amount of all funds held in open Funds Deposit Escrow established with funds from AFS and Kim Funding, LLC, is less than \$5,000,000.00 and continues at or below that amount for a period of 60 consecutive days.

4.3 Failure to Deliver Funds. AFS's and Kim Funding, LLC's, failure to agree to provide funds for at least the lesser of (1) 50 percent of all requested deposits shown on ANI's Funding Notices delivered over a period of two consecutive months or (2) the Minimum Funding Amount (defined below) and such failure continues for a period of 30 days following ANI's delivery to AFS of an ANI Termination Notice. ANI may deliver to AFS a written termination notice ("**an ANI Termination Notice**") if at any time after July 1, 2015, the aggregate amount of funds in all open Funds Deposit Escrows established with funds from AFS and Kim Funding, LLC, is less than \$4,000,000.00 and remains at or below such level for two or more consecutive months. As used herein, "**Minimum Funding Amount**" shall mean the following amounts during the following applicable periods:

<u>Applicable Period</u>	<u>Minimum Funding Amount</u>
Date of this Agreement through June 30, 2015	N/A
July 1, 2015, through December 31, 2015	\$1,500,000.00
January 1, 2016, through June 30 2016	\$1,750,000.00
July 1, 2016, through Expiration/Termination of this Agreement	\$2,000,000.00

Upon expiration or termination of this Agreement, the terms of this Agreement shall continue in effect with respect to all open Funds Deposit Escrows.

5. Exclusivity. During the term of this Agreement, AFS shall not directly or indirectly agree with any person or entity other than ANI to provide funds to deposit into escrow to satisfy an Applicant's ABC Deposit Requirement. During the term of this Agreement and except as provided below, ANI shall not directly or indirectly enter into any agreement with any person or entity other than AFS to furnish funds to deposit into escrow for the benefit of an Applicant to satisfy the Applicant's ABC Deposit Requirement; however, notwithstanding the foregoing, ANI may accept funds from persons other than AFS to deposit into Funds Deposit Escrows, as follows:

5.1 Kim Funding, LLC. ANI may accept from Kim Funding, LLC, funds to fund Funds Deposit Escrows without any limit on the aggregate amount of such funds.

5.2 Father's Funds. ANI may accept from Gina Champion Cain's father funds to fund Funds Deposit Escrows, provided that the outstanding aggregate amount of all such funds shall not exceed \$1,000,000.00 at any time.

5.3 Third-Party Compensation Limit. For Funds Deposit Escrows established after June 1, 2015, the amount of compensation paid by ANI to any third party (including Gina Champion-Cain's father) providing funds for a Funds Deposit Escrow or any other ABC-related escrows shall not exceed interest at the rate of 12 percent per annum.

5.4 Unapproved Applicants. ANI may accept funds from any person or entity to fund Funds Deposit Escrows to the extent that AFS and/or Kim Funding, LLC, have not furnished a Funding Response Notice agreeing to provide the funds requested in a Funding Request Notice (e.g., if ANI delivered to AFS a Funding Notice requesting that AFS agreed to furnish funds for three separate Applicants needing deposits of \$50,000.00, \$75,000.00, and \$100,000.00, respectively, and AFS's Funding Response Notice stated that AFS agreed to fund only one of the Applicants needing a deposit of \$50,000.00 and Kim Funding, LLC's, Funding Response Notice stated Kim Funding, LLC, agreed to fund only one Applicant needing a deposit of \$75,000.00, then ANI would be entitled to seek funds from any source to fund the Applicant needing \$100,000.00).

5.5 Funding Failure. ANI may obtain funds from any person or entity to fund the Funds Deposit Escrow for an Applicant for whom AFS agreed in a Funding Response Notice and AFS fails to provide the required funds on time and such failure continues for three business days following ANI's delivery to AFS and Kim Funding, LLC, of written notice of such failure. Within three business days following Kim Funding, LLC's, receipt of such notice, Kim Funding, LLC, may provide funds for such Applicant in the same manner as if Kim Funding, LLC, had identified such Applicant on a Funding Response Notice issued by Kim Funding, LLC, and the Funds Deposit Escrow Instructions shall be modified to refer to Kim Funding, LLC, and Kim Funding, LLC's, account information.

Upon expiration or termination of this Agreement, the exclusivity covenants in this paragraph shall cease.

6. General Provisions. The parties further agree:

6.1 Finance Lending License. ANI shall, at all times and at ANI's sole cost, maintain in force ANI's finance lender's license. Within 10 days following ANI's receipt from AFS of AFS's written request for proof of compliance with ANI's licensing requirement, ANI shall furnish to AFS such proof of compliance.

6.2 Time of the Essence. All times and dates in this Agreement shall be of the essence.

6.3 Entire Agreement. This Agreement contains all representations and the entire understanding and agreement between the parties.

6.4 Governing Law; Venue; Attorney's Fees. This Agreement shall be governed by and construed in accordance with the laws of California. The venue for any action or arbitration arising out of this Agreement shall be in San Diego County, California. The prevailing party in any action or arbitration arising out of this Agreement shall be entitled to reasonable attorney's fees.

6.5 Notices. Notices given under this Agreement shall be in writing and shall either be served personally or delivered by first class U.S. Mail, overnight courier (e.g., FedEx), or e-mail. Notices shall be deemed received at the earlier of actual receipt or three days following deposit in the U.S. Mail, as provided above. Notices shall be directed to the addresses shown on the signature page hereof, provided that a party may change the address for notice by giving written notice to the other party in accordance with the provisions hereof.

6.6 Arbitration. If (1) any party to this Agreement asserts against any other party a claim or cross-claim that relates to this Agreement, whether such claim is founded upon contract, tort, or equity, and (2) the amount in controversy with respect to such claim exceeds the then current jurisdictional limit of Small Claims Court or the primary relief sought by the claimant is not relief that may be awarded in Small Claims Court (e.g., injunctive relief), such claim or cross-claim shall be submitted to arbitration pursuant to California Code of Civil Procedure section 1280, et seq., and in connection with such arbitration, the following shall apply:

6.6.1 The arbitration shall be conducted by a single arbitrator.

6.6.2 The venue for the arbitration shall be in San Diego County, California.

6.6.3 The parties shall have the right to conduct full discovery, as allowed under California Code of Civil Procedure section 1283.05.

6.6.4 Pending issuance of the arbitrator's award, the parties shall pay fees and administrative expenses charged by the arbitrator in proportion to their Percentage Interests. Following issuance of the arbitrator's award, the arbitrator (1) may, in the arbitrator's discretion, award to the prevailing party the amount incurred by the prevailing party for the arbitrator's fees and administrative expenses and (2) shall award to the prevailing party reasonable attorney's fees.

6.6.5 After issuance of the arbitrator's award, any party that participated in the arbitration may file a petition to have the award entered as a judgment.

Notwithstanding the foregoing, this paragraph shall not apply to any action initiated and determined in small claims court. Nothing contained in this Agreement shall be construed to preclude any Member from initiating an action in the Superior Court for the purpose of obtaining

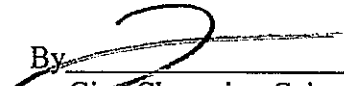
provisional relief and, after the provisional relief has been granted, seeking an order staying the action and compelling arbitration, as provided above.

6.7 Legal Representation. F. Sigmund Luther has represented solely AFS in connection with the preparation of this Agreement, and has not and will not represent the other parties named in this Agreement. ANI acknowledges that obtaining legal counsel to represent ANI in connection with the negotiation of this Agreement is ANI's responsibility.

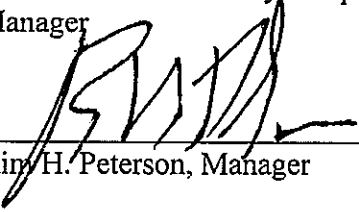
6.8 ABC Funding Strategies, LLC, Formation Costs. ANI shall pay 20 percent of the out-of-pocket expenses to (1) form ABC Funding Strategies, LLC, and ABC Funding Strategies Management, LLC, including filing fees and attorney's fees for preparation of the certificate of formation, operating agreement, and private placement memorandum and (2) prepare this Agreement and the Funding Agreement between ANI and Kim Funding, LLC; however, ANI's obligation under this paragraph shall not exceed \$7,000.00


ANI Development, LLC,
a California limited liability company

ABC Funding Strategies, LLC,
a Delaware limited liability company

By 
Gina Champion Cain, Manager
Address 4445 Lamont St.
San Diego, CA 92109
Email gina@amerikainvestments.com

By ABC Funding Strategies Management, LLC,
a Delaware limited liability company,
Its Manager

By 
Kim H. Peterson, Manager

By 
Joseph J. Cohen, Manager

P.O. Box 676237
Rancho Santa Fe, California 92067

12626 High Bluff Drive, Suite 360
San Diego, California 92130

Email kimharoldpeterson@gmail.com

Schedule of Exhibits

Exhibit 1 Form Instruction to Escrow Holder for Funds Deposit Escrow

Exhibit 1

Form Instruction to Escrow Holder for Funds Deposit Escrow

Escrow No. _____

Chicago Title Company
701 B Street, Suite 760
San Diego, CA 92101

ESCROW AGREEMENT
(Holding Funds)

This Escrow Agreement ("Agreement") is made and entered into as of _____, 20__, by and between ANI Development, LLC, a California limited liability company ("Lender") and Chicago Title Company, a California corporation ("Escrow Holder").

R E C I T A L S

Lender desires to deposit certain funds or direct others to deposit certain funds (the "Deposit") into this Escrow and to provide Escrow Holder with written instructions setting forth the conditions under which Escrow Holder will invest and hold the funds and ultimately disburse them.

Lender and Escrow Holder understand that this is a limited escrow only and is being opened for the benefit of _____ ("Applicant"), who is applying for approval of a transfer to Applicant of a license issued by the California Department of Alcoholic Beverage Control ("ABC") under Business and Professions Code Sections 24070-24082. The license that is the subject of Applicant's application to ABC is License No. _____ ("the License").

NOW, THEREFORE, the parties agree as follows:

A G R E E M E N T S

Deposit. Within five business days following the date this Agreement is signed by Lender and Escrow Holder, Lender will cause to be deposited a total sum of \$_____ ("the Deposit") with Escrow Holder for the refundable deposit for Applicant's application to ABC for approval of transfer to Applicant of the License. The source of funds for the Deposit shall be from an account at _____ [NAME OF AFS'S BANK] Bank in the name of ABC Funding Strategies, LLC. Escrow Holder will do the following:

Invest Funds. Place the Deposit into an interest bearing account with all interest accruing to the account of Lender. Concurrently herewith Lender will provide Escrow Holder with the required IRS Form W-9 and Investment Instructions required to establish such account.

226 Form. Escrow Holder shall send to ABC a completed Form 226 upon Escrow Holder's receipt of the Deposit.

Release of Deposit. At any time, Lender may provide written instructions to Escrow Holder to release all or a portion of the Deposit and the interest thereon. During the term of this Escrow, upon the written instructions from Lender, Escrow Holder will disburse the Deposit only to the following account:

Custodian/Broker: _____
Address: _____
ABA Number : _____
Account Number: _____
Account Name: _____

Upon receipt of such instructions, Escrow Holder's only duty is to comply with said instructions and to disburse the Deposit as requested by Lender and in accordance with this Escrow Agreement.

Escrow Holder's Requirement to Terminate Escrow. Escrow Holder shall terminate this Escrow upon the earlier of instructions of Lender or 185 days after this Escrow has been opened, unless requested to do otherwise by Lender. At the time this Escrow is terminated, all funds in this Escrow shall be disbursed to ABC Funding Strategies, LLC.

Escrow Holder's Fee. Lender shall pay to Escrow Holder a fee in the amount of \$1,000.00 for Escrow Holder's services provided in connection with this Escrow, which fee shall be paid \$500.00 upon Escrow Holder's receipt of the Deposit and \$500.00 upon Escrow Holder's release of the Deposit.

Escrow Holder's General Provisions. By signature hereon, Lender approves Escrow Holder's General Provisions, a copy of which is attached to this Agreement as Exhibit "A" and are incorporated by reference as if fully set forth in this section.

Escrow Holder's Wiring Instructions. By signature hereon, Lender approves Escrow Holder's Wiring Instructions directive, a copy of which is attached to the Agreement as Exhibit "B" and are incorporated by reference as if fully set forth in this section.

Third-Party Beneficiary. Lender and Escrow Holder agree that ABC Funding Strategies, LLC, shall be and is hereby named an express third-party beneficiary of this Agreement with full rights as such. The language of this Agreement relating to "Release of Deposit" and "Escrow Holder's Requirement to Terminate Escrow" cannot be amended without the advance written consent of ABC Funding Strategies, LLC.

IN WITNESS WHEREOF, this Agreement has been executed by the parties effective as of the date indicated above.

LENDER

ANI Development, LLC,
a California limited liability company
4445 Lamont Street
San Diego, CA 92109

By _____
Date _____

ESCROW HOLDER

Chicago Title Company,
a California corporation

By _____
Date _____

Schedule of Exhibits

Exhibit A	General Provisions
Exhibit B	Escrow Holder's Wire Transfer Instructions

BakerHostetler

Baker&Hostetler LLP

45 Rockefeller Plaza
New York, NY 10111

T 212.589.4200
F 212.589.4201
www.bakerlaw.com

Amy E. Vanderwal
direct dial: 212.589.4612
avanderwal@bakerlaw.com

December 29, 2021

VIA FEDEX

Attn: ANI Claims Process Administrator
E3 Advisors
501 West Broadway, Suite 290
San Diego, CA 92101

*Re: ABC Funding Strategies, LLC Claim for Submission in Securities and Exchange
Commission v. Gina Champion-Cain, et al., Case No. 19-cv-01628-LAB-AHG*

To Whom it May Concern:

Enclosed within are the proof of claim, explanatory statement, and exhibits for submission in the above captioned matter.

The original signatures will follow.

Sincerely,

Baker & Hostetler LLP

/s/Amy E. Vanderwal

Amy E. Vanderwal
Partner

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
CASE NO. 3:19-cv-01628-LAB-AHG

INVESTOR PROOF OF CLAIM FORM

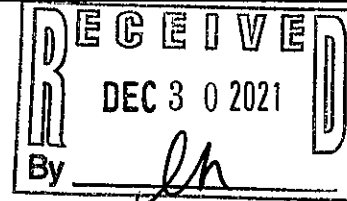
SECURITIES AND EXCHANGE COMMISSION

vs.

GINA CHAMPION-CAIN; ANI DEVELOPMENT, LLC;
DEFENDANTS

and

AMERICAN NATIONAL INVESTMENTS, INC.;
RELIEF DEFENDANT



THIS SPACE RESERVED FOR ADMINISTRATIVE
USE ONLY

PLEASE READ THE ACCOMPANYING LETTER INSTRUCTIONS BEFORE COMPLETING
THIS FORM, IT MUST BE RETURNED ON OR BEFORE **DECEMBER 31, 2021**

As reflected in Section 3 below, the Receiver has calculated the Net Loss Amount, the net amount of actual payments you made to and received from the Receivership Entities or others in connection with the scheme.

If the investor name and amounts listed in Section 3 below are consistent with your records, you do not need to provide any documents or further information; you need to simply complete and sign this Proof of Claim Form, complete and sign the enclosed W9 Form, and return both forms to: **E3 Advisors, Attn: ANI Claims Process Administrator, 501 West Broadway, Suite 290, San Diego, CA 92101.**

If your records are not consistent with the investor name or amounts listed in Section 3 below, you will need to provide further documentation, as described on the last page of this document. Please keep in mind that pursuant to the Court's order, an allowed claim shall not include claims for interest, late fees, contract or other damages, contingent or liquidated damages, or legal fees incurred.

The Receiver will review each Proof of Claim Form, attempt to resolve any questions or disputes directly with the claimant, and will ultimately make a recommendation to the Court to allow or disallow part or all of the claim. Claimants will receive notice and an opportunity to respond if the Receiver disagrees with the amount stated on their claim. For claims that are allowed, distributions will be made pursuant to a Court-approved distribution plan. The amount distributed will depend on the total amount of allowed claims, the total assets available for distribution, and the terms of the distribution plan.

Submission of a claim does not guarantee the claims will be allowed or any payment will be made. The claim must be allowed by the United States District Court for the Southern District of California ("Court").

ADDRESS OF CLAIMANT:

(x) Check this box **ONLY** if your current address or contact information has changed and, if so, please print your updated address and/or contact information here:

Updated Address: ABC Funding Strategies, LLC

P.O. Box 676237, Rancho Santa Fe, CA 92067

Telephone No. of Claimant: (858) 481-3539

Email Address of Claimant: kimharoldpeterson@gmail.com

() Check this box **ONLY** if you have an alternative contact for your investments. If so, please include all contact details here (you must also attach a Power of Attorney, Death Certificate, Trust Beneficiary, or other legal documentation, as applicable, which legally authorizes contact with such individual or entity):

Alternative Contact Name:.....

Alternative Contact Address:

Telephone No. of Alternative Contact: _____

Email Address of Alternative Contact: _____

Please complete the following:

1. Was your investment/loan made from an IRA account? **NO**

If YES, please print the IRA Custodian name, address and phone number as well as your account number here:

Custodian Name and Address: _____

Telephone No. of Custodian: _____

Email Address of Custodian: _____

Account Number: _____

2. Name as it should appear on distribution check (if YES on Item 1. above, be certain to clarify if such payment is to be made payable to and sent directly to the IRA Custodian or to you individually):

Payee: ABC Funding Strategies, LLC

Payment Address (only IF different than address on file):

Payment Address: _____

NET LOSS CALCULATION(S): See Attached Explanatory Statement

According to the records of the Receivership Entities, it appears, you have made the following investments in and received the following payments from the Receivership Entities or others in connection with the scheme (to include payments to you made from Chicago Title):

DETAILED CHART ON FOLLOWING PAGE(s)

If the information above is not consistent with your records (investor name or amounts), you will need to provide corrected information in the same format as Section 3 above (attach additional sheets if necessary) and supporting documentation, further discussed below.

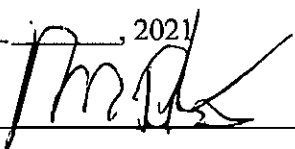
3. **Supporting Documents: *DO NOT SEND*** copies of supporting documents if you agree with the information listed in Section 3 above. However, if you dispute the investor name or amounts listed in Section 3 above, ***DO SEND COPIES ONLY*** of all documents which support your corrected investment information along with your completed and signed Proof of Claim and W9 Forms to: E3 Advisors, Attn: ANI Claims Process Administrator, 501 West Broadway, Suite 290, San Diego, CA 92101. Examples of supporting documentation include bank statements, canceled checks, wire transfer documents, contracts, email messages, or other written correspondence. If the Receiver has questions or needs further information, her office will contact you.

4. **Date Stamped Copy:** To receive an acknowledgement of the filing of your Proof of Claim Form, please enclose a stamped, self-addressed envelope and an additional copy of this Proof of Claim Form.

5. **Signature:** Sign and print the name and title, if any, of the claimant or other person authorized to file this claim (attach copy of power of attorney, death certificate, trust beneficiary, or other documents as needed). **YOU MUST PROVIDE AN ORIGINAL SIGNATURE.**

PLEASE NOTE that we cannot provide you with tax or legal advice relating to your claim. If you have concerns about the tax or legal implications of your claim, please contact an attorney or your tax advisor.

By Signing My/Our Name Below, I/We Acknowledge and Affirm that: I/we will supplement this Proof of Claim Form if any information given later becomes inaccurate or incomplete; I/we am/are a creditor of the Receivership Entities; I/we hereby affirm that the answers provided herein are truthful; and that I/we understand that this Proof of Form is submitted under penalty of perjury.

Date: _____, 2021
Signature:  Name: ABC Funding Strategies Management, LLC
by Kim H. Peterson
Title (if any) Manager

Signature: _____ Name: ABC Funding Strategies Management, LLC
by Joseph J. Cohen
Title (if any) Manager

Substitute FORM W-9
Taxpayer Identification Number Certification

Social Security Number / Taxpayer Identification Number: 47-2498202

Exempt Payee Code (if any) _____ Exemption from FATCA reporting code (if any) _____

Check appropriate box for federal tax classification:

☐ Individual ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate ☐ Other

☒ Limited Liability Company - choose tax classification ☐ C Corporation ☐ S Corporation ☒ Partnership

Print your name as it appears on your federal income tax return:

ABC FUNDING STRATEGIES, LLC
First Name and Last Name, for Individuals. Entity Name for businesses and trusts.

Under penalty of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number; **and**
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; **and**
3. I am a U.S. citizen or other U.S. person (including a U.S. resident alien); **and**
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Note: If you have been notified by the IRS that you are subject to backup withholding, you must cross out item 2 above.

Signature
of U.S. Person: [Signature] Date: 12/20/21

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

GINA CHAMPION-CAIN and ANI
DEVELOPMENT, LLC,

Defendants,

AMERICAN NATIONAL
INVESTMENTS, INC.,

Relief Defendant.

Case No. 3:19-cv-01628-LAB-AHG

**EXPLANATORY STATEMENT TO
PROOF OF CLAIM OF ABC
FUNDING STRATEGIES, LLC**

On August 28, 2019, (the "Filing Date") the United States Securities and Exchange Commission commenced the above captioned action by filing a complaint against Gina Champion-Cain and ANI Development, LLC ("ANI") alleging violations of federal securities laws. The Court entered an order on September 3, 2019, appointing Krista Freitag ("Receiver") as permanent receiver for ANI, American Investments, Inc., and their subsidiaries and affiliates (the "Receivership Entities"), as more particularly identified in that order.

Prior to the Filing Date, ABC Funding Strategies, LLC, ("ABC Funding") provided funding to ANI pursuant to a funding agreement ("Funding Agreement") between ABC Funding and ANI, which is attached hereto as Exhibit No. 1. As of the Filing Date, the amount owed to ABC Funding under the Funding Agreement is at least \$10,434,166.92.

ABC Funding files this proof of claim ("Claim") asserting, without limitation, a claim for no less than **\$10,434,166.92**. ABC Funding reserves the right to amend

1 and/or supplement this Claim at any time, in any manner, and for any purpose. ABC
2 Funding further reserves the right to file additional proofs of claim for additional
3 claims which may be based on the respective rights and obligations arising under the
4 documents attached to this Claim, the relationships identified herein or the same
5 events and circumstances referred to herein.

6 ABC Funding further reserves, without limiting the generality of the
7 foregoing, the right to amend and/or supplement the calculation of amounts owing
8 to ABC Funding, to attach or bring forth additional documents supporting its Claim,
9 and additional documents that may become available after further investigation and
10 discovery.

11 The filing of this Claim shall not constitute a waiver or release of any of ABC
12 Funding's rights, including, without limitation, (a) ABC Funding's rights against the
13 Receivership Entities, the Receiver, or any other person, entity, or property; (b) ABC
14 Funding's right to contest the jurisdiction of this Court with respect to the subject
15 matter of the Claim, any objection or other proceeding commenced with respect
16 thereto or any other proceeding commenced in this case against or otherwise
17 involving ABC Funding, (c) ABC Funding's election of remedies or choice of law,
18 (d) any right to trial by jury that ABC Funding may have in any civil proceeding
19 arising in or related to this case, or (e) any rights not already referenced in the
20 foregoing.

21 This Claim shall not constitute a waiver of any netting or setoff rights that
22 ABC Funding may have under applicable law.

23 ABC Funding further reserves all and any rights against parties other than the
24 Receivership Entities based on the facts and circumstances described herein.

25 All notices with respect to this Claim should be sent to:

26 ABC Funding Strategies, LLC
27 P.O. Box 676237
Rancho Santa Fe, CA 92067
28 Attention: Kim H. Peterson
Phone: (858) 481-3539
Email: kimharoldpeterson@gmail.com

1 with copies to:

2 **BAKER & HOSTETLER LLP**

3 Amy E. Vanderwal, Esq.
4 45 Rockefeller Plaza
5 New York, NY 10111
6 Phone: (212) 589-4200
Facsimile: (212) 589-4201
Email: avanderwal@bakerlaw.com

7 - and -

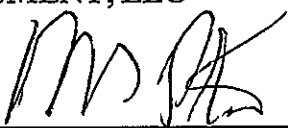
8 Lauren T. Attard, Esq.
9 11601 Wilshire Boulevard
10 Suite 1400
11 Los Angeles, CA 90025
12 Phone: (310) 820-8800
13 Facsimile: (310) 820-8859
14 Email: lattard@bakerlaw.com

15 *[Remainder of page intentionally left blank]*
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1 Dated: December __, 2021

2
3 ABC FUNDING STRATEGIES, LLC

4 By ABC FUNDING STRATEGIES
5 MANAGEMENT, LLC

6 By: 

7
8 KIM H. PETERSON, MANAGER

9
10 By: _____

11 JOSEPH J. COHEN, MANAGER

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1 Dated: December __, 2021

2 ABC FUNDING STRATEGIES, LLC

3
4 By ABC FUNDING STRATEGIES
5 MANAGEMENT, LLC

6
7 By: _____
8 KIM H. PETERSON, MANAGER

9
10 By:  _____
11 JOSEPH J. COHEN, MANAGER

EXHIBIT 1

Funding Agreement
(ABC Funding Strategies, LLC)

This Agreement, dated January ~~16~~ 16, 2015, is executed by (1) ANI Development, LLC, a California limited liability company ("ANI"), and (2) ABC Funding Strategies, LLC, a Delaware limited liability company ("AFS"). This Agreement is executed with reference to the following facts:

A. ANI has a finance lender's license issued by California Department of Corporations, License No. 603 K570.

B. ANI is in the business of delivering funds to Escrow Holder (defined below) to satisfy the requirements of California Department of Alcoholic Beverage Control ("ABC") that, in connection with an application for transfer of a license issued by ABC, the applicant deposit in escrow all or a portion of the consideration proposed to be paid by the applicant to the holder of the license, and such funds remain held in escrow pending ABC's approval of the application or cancellation of the escrow following ABC's disapproval of the application.

C. ANI and AFS desire that AFS furnish to ANI funds to fund escrows related to transfers of licenses issued by ABC.

In consideration of the above recitals and the mutual agreements stated below, the parties agree:

1. Definitions. The following terms shall have the following definitions in this Agreement:

1.1 ABC. California Department of Alcoholic Beverage Control.

1.2 ABC Deposit Requirement. ABC's requirement that in connection with an application for ABC's approval of a transfer of an ABC License by a Seller to an Applicant, the Applicant make a deposit to be held in escrow pending ABC's approval or disapproval of such transfer.

1.3 ABC License. A license issued by ABC.

1.4 AFS's Cost of Funds. The amount AFS is required to pay to (1) AFS's members; however, the amount owed to AFS's members shall not exceed the sum of (i) refund of the amount deposited by AFS into Funds Deposit Escrows, (ii) interest on funds deposited into Funds Deposit Escrows at the rate of 11 percent per annum for the period such funds remain in Funds Deposit Escrows, and (iii) Idle Funds Interest (defined below), (2) Escrow Holder for fees in connection with a Funds Deposit Escrow to the extent that such fees are not reimbursed or paid directly by an Applicant, (3) Escrow Holder and/or financial institutions for wire transfer fees for transfer of funds in and out of Funds Deposit Escrows, and (4) out-of-pocket fees for bookkeeping/accounting. ANI acknowledges that AFS's members are entitled to a fixed return of (1) 9 percent per annum for a member that has contributed to AFS less than \$250,000.00,

(2) 10 percent per annum for a member that has contributed to AFS at least \$250,000.00, but less than \$500,000.00 and (3) 11 percent per annum for a member that has contributed to AFS \$500,000.00 or more. As used herein, "**Idle Funds Interest**" shall mean interest AFS's members are entitled to receive on funds from Members that are not in Funds Deposit Escrows; however, for purposes of determining AFS's Cost of Funds, Idle Funds Interest shall not exceed \$75,000.00 in any calendar year, and such maximum amount shall be prorated for a partial calendar year.

1.5 **Aggregate Net Proceeds.** The aggregate amount of all Escrow Net Proceeds.

1.6 **Applicant.** A person or entity that has (1) been referred to ANI by William Adam, attorney located in Sacramento, and (2) applied or is in the process of applying to ABC for ABC's approval for transfer by a Seller to the Applicant of an ABC License.

1.7 **Applicant Loan Agreement.** An agreement between ANI and an Applicant by which (1) ANI agrees to deliver to Escrow Holder the funds required to satisfy the Applicant's ABC Deposit Requirement and (2) the Applicant agrees to pay to ANI compensation for ANI's delivery to Escrow Holder of such funds. Each Applicant Loan Agreement shall provide:

1.7.1 If the Applicant's License Transfer Escrow is terminated because ABC disapproves the Applicant's application for transfer of the ABC License or the Applicant withdraws the application, the Applicant shall not be obligated to pay anything to ANI.

1.7.2 If the Applicant's application is approved, the Applicant shall (1) replace with Applicant's funds the full amount of the deposit made into the Funds Deposit Escrow and (2) the Applicant shall pay ANI compensation equal to the following:

<u>Applicable Period Funds Held in Funds Deposit Escrow</u>	<u>Compensation Amount</u>
1 Day to End of 4 Months	15% of Deposit Amount
4 Months + 1 Day to End of 5 Months	16% of Deposit Amount
5 Months + 1 Day to End of 6 Months	18% of Deposit Amount
6 Months + 1 Day and Longer	20% of Deposit Amount

1.8 **Escrow Holder.** Chicago Title Company or such other licensed escrow company that ANI and AFS may agree to use to hold funds pursuant to a Funds Deposit Escrow.

1.9 **Escrow Net Proceeds.** The total amount paid to ANI by an Applicant pursuant to an Applicant Loan Agreement less AFS's Cost of Funds with respect to a specific Funds Deposit Escrow. Escrow Net Proceeds shall also include interest accrued on funds held in a Funds Deposit Escrow.

1.10 **Funding Notice.** A written notice sent by ANI to AFS that contains (1) names of prospective Applicants and (2) the amount each such Applicant is required to

deposit with Escrow Holder to satisfy the ABC Deposit Requirement. Promptly following ANI's receipt from William Adam of a list of prospective Applicants, ANI shall deliver to AFS and Kim Funding, LLC, a Funding Notice related to such Applicants.

1.11 Funds Deposit Escrow. An escrow established by ANI with Escrow Holder to hold the funds delivered to satisfy an Applicant's ABC Deposit Requirement. Each Funds Deposit Escrow shall be related to, but a separate escrow from, the Applicant's License Transfer Escrow.

1.12 Funds Deposit Escrow Instructions. Written instructions to Escrow Holder to establish a Funds Deposit Escrow, which instructions shall be substantially in form and of content as Exhibit 1 attached hereto. ANI and AFS agree to make modifications to the Funds Deposit Escrow Instructions as may be reasonably required by Escrow Holder. Fund Deposit Escrow Instructions shall be completed to conform to the manner in which funds are to be disbursed, as described in Paragraph 3 below.

1.13 License Transfer Escrow. An escrow established with Escrow Holder to facilitate the transfer by a Seller to an Applicant of the Seller's ABC License.

1.14 Seller. The holder of an ABC License that has executed an agreement with an Applicant to sell such ABC License to the Applicant pursuant to a License Transfer Escrow.

2. Delivery of Funds for Funds Deposit Escrow. Within 10 business days following AFS's receipt of a Funding Notice, AFS shall deliver to ANI a notice ("**a Funding Response Notice**") stating that AFS will fund all of the amounts shown on the Funding Notice or stating which Applicants for whom AFS will fund the deposit amounts shown on the Funding Notice. With respect to each Applicant's deposit that AFS has agreed to fund, ANI shall establish with Escrow Holder a Funds Deposit Escrow by executing and delivering to Escrow Holder Funds Deposit Escrow Instructions. In advance of ANI's delivery to Escrow Holder of the Funds Deposit Escrow Instructions, AFS shall furnish to ANI the name and account transfer information to fund the Funds Deposit Escrows. Within five business days following AFS's receipt from ANI of a copy of signed Funds Deposit Escrow Instructions related to an Applicant identified on a Funding Response Notice, AFS shall cause to be delivered to Escrow Holder the amount of the deposit identified on AFS's Funding Response Notice that AFS agreed to fund for such Applicant. ANI and AFS acknowledge and agree (1) ANI and Kim Funding, LLC, are parties to a funding agreement similar to this Agreement and (2) if AFS and Kim Funding, LLC, both deliver to ANI a Funding Response Notice by which AFS and Kim Funding, LLC, each agrees to fund one or more of the same Applicants, then Kim Funding, LLC, shall have priority and be entitled to furnish funds to the Funds Deposit Escrow(s) for such Applicant(s).

3. Allocation and Distribution of Aggregate Net Proceeds. ANI shall be entitled to 20 percent of Aggregate Net Proceeds and AFS shall be entitled to 80 percent of Aggregate Net Proceeds.

3.1 Disbursement upon Termination of Funds Deposit Escrow. Upon termination of a Funds Deposit Escrow established with funds from AFS all of the funds in the Funds Deposit Escrow shall be disbursed by Escrow Holder to AFS. On a quarterly basis, AFS shall disburse to ANI 20 percent of the amount by which the disbursements to AFS exceeds the amount deposited by AFS into the Funds Deposit Escrows and AFS's Cost of Funds related to such Funds Deposit Escrow. For example, if (1) AFS deposited \$1,000,000.00 into the Funds Deposit Escrows, (2) upon termination of the Funds Deposit Escrows, Escrow Holder disbursed to AFS \$1,150,000.00, and (3) AFS's Cost of Funds for such Funds Deposit Escrows was \$1,062,000.00 (consisting of \$1,000,000.00 deposit amounts, \$50,000.00 interest on deposit amounts, and \$12,000.00 Escrow Holder and other costs), then AFS would disburse to ANI \$17,600.00 (i.e., $(\$1,150,000.00 - \$1,062,000.00) \times .2 = \$17,600.00$) and AFS would retain \$1,132,400.00 (i.e., $((\$1,150,000.00 - \$1,062,000.00) \times .8) + \$1,062,000.00 = \$1,132,400.00$). If the exact amount of AFS's Cost of Funds related to such terminated Funds Deposit Escrows cannot be determined, then (1) the initial disbursements between AFS and ANI shall be made based upon a reasonable estimate of AFS's Cost of Funds and (2) adjustments shall be made following AFS's preparation of a Reconciliation Statement, as provided below.

3.2 Reconciliation. From time to time, but not less than annually, AFS shall provide to ANI a statement ("**a Reconciliation Statement**") that shows (1) the total amount disbursed to AFS by Escrow Holder from terminated Funds Deposit Escrows for the time period covered by the Reconciliation Statement, (2) AFS's Cost of Funds for the period covered by the Reconciliation Statement, (3) calculation of Aggregate Net Proceeds for the time period covered by the Reconciliation Statement, (4) amount disbursed to ANI during the period covered by the Reconciliation Statement, and (5) the amount owed (i) to ANI if the aggregate amount previously disbursed to ANI for the time period covered by the Reconciliation Statement is less than 20 percent of the Aggregate Net Proceeds for the time period covered by the Reconciliation Statement or (ii) by ANI if the aggregate amount previously disbursed to ANI for the time period covered by the Reconciliation Statement exceeds 20 percent of the Aggregate Net Proceeds for the time period covered by the Reconciliation Statement. If the Reconciliation Statement shows that the amounts previously disbursed to and retained by ANI for Escrow Net Proceeds covered by the Reconciliation Statement exceeds 20 percent of the Aggregate Net Proceeds shown on the Reconciliation Statement, then, within 10 days following ANI's receipt of the Reconciliation Statement, ANI shall pay AFS the amount of such excess. If the Reconciliation Statement shows that the amounts previously disbursed to and retained by ANI for Escrow Net Proceeds covered by the Reconciliation Statement are less than 20 percent of the Aggregate Net Proceeds shown on the Reconciliation Statement, then, within 10 days following ANI's receipt of the Reconciliation Statement, AFS shall pay ANI the amount of such deficit. If Escrow Holder (or Escrow Holder's bank or other depository institution) issues to ANI a Form 1099 for interest accrued on funds held in Funds Deposit Escrows, ANI may issue to AFS a Form 1099 for 80 percent of such interest. ANI may, from time to time, review AFS's books and records pertaining to AFS's Cost of Funds and disbursements to AFS from Funds Deposit Escrows; however, AFS and ANI agree that no adjustment shall be made to AFS's determination of Aggregate Net Proceeds shown on a Reconciliation Statement more than one year after ANI's receipt of the Reconciliation Statement.

4. Term of Agreement. The term of this Agreement commences on the date hereof and shall expire on the date that is 15 years following the date of this Agreement, unless sooner terminated upon the occurrence of the following:

4.1 Material Breach. Material breach by either party to this Agreement if such breach continues for 30 days following delivery by the non-breaching party to the breaching party of written notice of such breach.

4.2 Failure to Deliver Funding Notices. ANI's failure, within 30 days following ANI's receipt of an AFS Termination Notice to deliver to AFS one or more Funding Notices for prospective Applicants whose deposit requirements aggregate at least \$1,000,000.00. AFS may deliver to ANI a written notice to terminate ("**a AFS Termination Notice**") if, at any time, the aggregate amount of all funds held in open Funds Deposit Escrow established with funds from AFS and Kim Funding, LLC, is less than \$5,000,000.00 and continues at or below that amount for a period of 60 consecutive days.

4.3 Failure to Deliver Funds. AFS's and Kim Funding, LLC's, failure to agree to provide funds for at least the lesser of (1) 50 percent of all requested deposits shown on ANI's Funding Notices delivered over a period of two consecutive months or (2) the Minimum Funding Amount (defined below) and such failure continues for a period of 30 days following ANI's delivery to AFS of an ANI Termination Notice. ANI may deliver to AFS a written termination notice ("**an ANI Termination Notice**") if at any time after July 1, 2015, the aggregate amount of funds in all open Funds Deposit Escrows established with funds from AFS and Kim Funding, LLC, is less than \$4,000,000.00 and remains at or below such level for two or more consecutive months. As used herein, "**Minimum Funding Amount**" shall mean the following amounts during the following applicable periods:

<u>Applicable Period</u>	<u>Minimum Funding Amount</u>
Date of this Agreement through June 30, 2015	N/A
July 1, 2015, through December 31, 2015	\$1,500,000.00
January 1, 2016, through June 30 2016	\$1,750,000.00
July 1, 2016, through Expiration/Termination of this Agreement	\$2,000,000.00

Upon expiration or termination of this Agreement, the terms of this Agreement shall continue in effect with respect to all open Funds Deposit Escrows.

5. Exclusivity. During the term of this Agreement, AFS shall not directly or indirectly agree with any person or entity other than ANI to provide funds to deposit into escrow to satisfy an Applicant's ABC Deposit Requirement. During the term of this Agreement and except as provided below, ANI shall not directly or indirectly enter into any agreement with any person or entity other than AFS to furnish funds to deposit into escrow for the benefit of an Applicant to satisfy the Applicant's ABC Deposit Requirement; however, notwithstanding the foregoing, ANI may accept funds from persons other than AFS to deposit into Funds Deposit Escrows, as follows:

5.1 Kim Funding, LLC. ANI may accept from Kim Funding, LLC, funds to fund Funds Deposit Escrows without any limit on the aggregate amount of such funds.

5.2 Father's Funds. ANI may accept from Gina Champion Cain's father funds to fund Funds Deposit Escrows, provided that the outstanding aggregate amount of all such funds shall not exceed \$1,000,000.00 at any time.

5.3 Third-Party Compensation Limit. For Funds Deposit Escrows established after June 1, 2015, the amount of compensation paid by ANI to any third party (including Gina Champion-Cain's father) providing funds for a Funds Deposit Escrow or any other ABC-related escrows shall not exceed interest at the rate of 12 percent per annum.

5.4 Unapproved Applicants. ANI may accept funds from any person or entity to fund Funds Deposit Escrows to the extent that AFS and/or Kim Funding, LLC, have not furnished a Funding Response Notice agreeing to provide the funds requested in a Funding Request Notice (e.g., if ANI delivered to AFS a Funding Notice requesting that AFS agreed to furnish funds for three separate Applicants needing deposits of \$50,000.00, \$75,000.00, and \$100,000.00, respectively, and AFS's Funding Response Notice stated that AFS agreed to fund only one of the Applicants needing a deposit of \$50,000.00 and Kim Funding, LLC's, Funding Response Notice stated Kim Funding, LLC, agreed to fund only one Applicant needing a deposit of \$75,000.00, then ANI would be entitled to seek funds from any source to fund the Applicant needing \$100,000.00).

5.5 Funding Failure. ANI may obtain funds from any person or entity to fund the Funds Deposit Escrow for an Applicant for whom AFS agreed in a Funding Response Notice and AFS fails to provide the required funds on time and such failure continues for three business days following ANI's delivery to AFS and Kim Funding, LLC, of written notice of such failure. Within three business days following Kim Funding, LLC's, receipt of such notice, Kim Funding, LLC, may provide funds for such Applicant in the same manner as if Kim Funding, LLC, had identified such Applicant on a Funding Response Notice issued by Kim Funding, LLC, and the Funds Deposit Escrow Instructions shall be modified to refer to Kim Funding, LLC, and Kim Funding, LLC's, account information.

Upon expiration or termination of this Agreement, the exclusivity covenants in this paragraph shall cease.

6. General Provisions. The parties further agree:

6.1 Finance Lending License. ANI shall, at all times and at ANI's sole cost, maintain in force ANI's finance lender's license. Within 10 days following ANI's receipt from AFS of AFS's written request for proof of compliance with ANI's licensing requirement, ANI shall furnish to AFS such proof of compliance.

6.2 Time of the Essence. All times and dates in this Agreement shall be of the essence.

6.3 Entire Agreement. This Agreement contains all representations and the entire understanding and agreement between the parties.

6.4 Governing Law; Venue; Attorney's Fees. This Agreement shall be governed by and construed in accordance with the laws of California. The venue for any action or arbitration arising out of this Agreement shall be in San Diego County, California. The prevailing party in any action or arbitration arising out of this Agreement shall be entitled to reasonable attorney's fees.

6.5 Notices. Notices given under this Agreement shall be in writing and shall either be served personally or delivered by first class U.S. Mail, overnight courier (e.g., FedEx), or e-mail. Notices shall be deemed received at the earlier of actual receipt or three days following deposit in the U.S. Mail, as provided above. Notices shall be directed to the addresses shown on the signature page hereof, provided that a party may change the address for notice by giving written notice to the other party in accordance with the provisions hereof.

6.6 Arbitration. If (1) any party to this Agreement asserts against any other party a claim or cross-claim that relates to this Agreement, whether such claim is founded upon contract, tort, or equity, and (2) the amount in controversy with respect to such claim exceeds the then current jurisdictional limit of Small Claims Court or the primary relief sought by the claimant is not relief that may be awarded in Small Claims Court (e.g., injunctive relief), such claim or cross-claim shall be submitted to arbitration pursuant to California Code of Civil Procedure section 1280, et seq., and in connection with such arbitration, the following shall apply:

6.6.1 The arbitration shall be conducted by a single arbitrator.

6.6.2 The venue for the arbitration shall be in San Diego County, California.

6.6.3 The parties shall have the right to conduct full discovery, as allowed under California Code of Civil Procedure section 1283.05.

6.6.4 Pending issuance of the arbitrator's award, the parties shall pay fees and administrative expenses charged by the arbitrator in proportion to their Percentage Interests. Following issuance of the arbitrator's award, the arbitrator (1) may, in the arbitrator's discretion, award to the prevailing party the amount incurred by the prevailing party for the arbitrator's fees and administrative expenses and (2) shall award to the prevailing party reasonable attorney's fees.

6.6.5 After issuance of the arbitrator's award, any party that participated in the arbitration may file a petition to have the award entered as a judgment.

Notwithstanding the foregoing, this paragraph shall not apply to any action initiated and determined in small claims court. Nothing contained in this Agreement shall be construed to preclude any Member from initiating an action in the Superior Court for the purpose of obtaining

provisional relief and, after the provisional relief has been granted, seeking an order staying the action and compelling arbitration, as provided above.

6.7 Legal Representation. F. Sigmund Luther has represented solely AFS in connection with the preparation of this Agreement, and has not and will not represent the other parties named in this Agreement. ANI acknowledges that obtaining legal counsel to represent ANI in connection with the negotiation of this Agreement is ANI's responsibility.

6.8 ABC Funding Strategies, LLC, Formation Costs. ANI shall pay 20 percent of the out-of-pocket expenses to (1) form ABC Funding Strategies, LLC, and ABC Funding Strategies Management, LLC, including filing fees and attorney's fees for preparation of the certificate of formation, operating agreement, and private placement memorandum and (2) prepare this Agreement and the Funding Agreement between ANI and Kim Funding, LLC; however, ANI's obligation under this paragraph shall not exceed \$7,000.00

ANI Development, LLC,
a California limited liability company

ABC Funding Strategies, LLC,
a Delaware limited liability company

By 

Gina Champion Cain, Manager

Address 4445 Lamont St.

San Diego, CA 92109

Email gina@amerikainvestments.com

gina@amerikainvestments.com

By ABC Funding Strategies Management, LLC,
a Delaware limited liability company,
Its Manager

By 

Kim H. Peterson, Manager

By 

Joseph J. Cohen, Manager

P.O. Box 676237
Rancho Santa Fe, California 92067

12626 High Bluff Drive, Suite 360
San Diego, California 92130

Email kimharoldpeterson@gmail.com

Schedule of Exhibits

Exhibit 1 Form Instruction to Escrow Holder for Funds Deposit Escrow

Exhibit 1

Form Instruction to Escrow Holder for Funds Deposit Escrow

Escrow No. _____

Chicago Title Company
701 B Street, Suite 760
San Diego, CA 92101

ESCROW AGREEMENT
(Holding Funds)

This Escrow Agreement ("Agreement") is made and entered into as of _____, 20__, by and between ANI Development, LLC, a California limited liability company ("Lender") and Chicago Title Company, a California corporation ("Escrow Holder").

R E C I T A L S

Lender desires to deposit certain funds or direct others to deposit certain funds (the "Deposit") into this Escrow and to provide Escrow Holder with written instructions setting forth the conditions under which Escrow Holder will invest and hold the funds and ultimately disburse them.

Lender and Escrow Holder understand that this is a limited escrow only and is being opened for the benefit of _____ ("Applicant"), who is applying for approval of a transfer to Applicant of a license issued by the California Department of Alcoholic Beverage Control ("ABC") under Business and Professions Code Sections 24070-24082. The license that is the subject of Applicant's application to ABC is License No. _____ ("the License").

NOW, THEREFORE, the parties agree as follows:

A G R E E M E N T S

Deposit. Within five business days following the date this Agreement is signed by Lender and Escrow Holder, Lender will cause to be deposited a total sum of \$_____ ("the Deposit") with Escrow Holder for the refundable deposit for Applicant's application to ABC for approval of transfer to Applicant of the License. The source of funds for the Deposit shall be from an account at _____ [NAME OF AFS'S BANK] Bank in the name of ABC Funding Strategies, LLC. Escrow Holder will do the following:

Invest Funds. Place the Deposit into an interest bearing account with all interest accruing to the account of Lender. Concurrently herewith Lender will provide Escrow Holder with the required IRS Form W-9 and Investment Instructions required to establish such account.

226 Form. Escrow Holder shall send to ABC a completed Form 226 upon Escrow Holder's receipt of the Deposit.

Release of Deposit. At any time, Lender may provide written instructions to Escrow Holder to release all or a portion of the Deposit and the interest thereon. During the term of this Escrow, upon the written instructions from Lender, Escrow Holder will disburse the Deposit only to the following account:

Custodian/Broker: _____
Address: _____
ABA Number : _____
Account Number: _____
Account Name: _____

Upon receipt of such instructions, Escrow Holder's only duty is to comply with said instructions and to disburse the Deposit as requested by Lender and in accordance with this Escrow Agreement.

Escrow Holder's Requirement to Terminate Escrow. Escrow Holder shall terminate this Escrow upon the earlier of instructions of Lender or 185 days after this Escrow has been opened, unless requested to do otherwise by Lender. At the time this Escrow is terminated, all funds in this Escrow shall be disbursed to ABC Funding Strategies, LLC.

Escrow Holder's Fee. Lender shall pay to Escrow Holder a fee in the amount of \$1,000.00 for Escrow Holder's services provided in connection with this Escrow, which fee shall be paid \$500.00 upon Escrow Holder's receipt of the Deposit and \$500.00 upon Escrow Holder's release of the Deposit.

Escrow Holder's General Provisions. By signature hereon, Lender approves Escrow Holder's General Provisions, a copy of which is attached to this Agreement as Exhibit "A" and are incorporated by reference as if fully set forth in this section.

Escrow Holder's Wiring Instructions. By signature hereon, Lender approves Escrow Holder's Wiring Instructions directive, a copy of which is attached to the Agreement as Exhibit "B" and are incorporated by reference as if fully set forth in this section.

Third-Party Beneficiary. Lender and Escrow Holder agree that ABC Funding Strategies, LLC, shall be and is hereby named an express third-party beneficiary of this Agreement with full rights as such. The language of this Agreement relating to "Release of Deposit" and "Escrow Holder's Requirement to Terminate Escrow" cannot be amended without the advance written consent of ABC Funding Strategies, LLC.

IN WITNESS WHEREOF, this Agreement has been executed by the parties effective as of the date indicated above.

LENDER

ANI Development, LLC,
a California limited liability company
4445 Lamont Street
San Diego, CA 92109

By _____
Date _____

ESCROW HOLDER

Chicago Title Company,
a California corporation

By _____
Date _____

Schedule of Exhibits

Exhibit A	General Provisions
Exhibit B	Escrow Holder's Wire Transfer Instructions

EXHIBIT L

EXHIBIT L

Creditor Type	Creditor	Trade/Tax Creditor Claim Amounts Proposed as Allowed	Tax/Trade Creditor Claim Amounts Proposed as Disallowed	Total	Reason for Proposed Claim Amounts to be Disallowed (see also the Motion narrative for further explanation)
Trade Creditor	A Awesome Backflow Service	\$ 220.00	\$ -	\$ 220.00	
Trade Creditor	Ace Hardware	\$ 47.80	\$ -	\$ 47.80	
Trade Creditor	Alpha Graphics	\$ 4,216.79	\$ -	\$ 4,216.79	
Trade Creditor	American Express National Bank	\$ 115,524.17	\$ -	\$ 115,524.17	
Trade Creditor	Andrew Edwards	\$ 4,000.00	\$ -	\$ 4,000.00	
Trade Creditor	Bootstrap Kombucha	\$ 300.00	\$ -	\$ 300.00	
Tax Creditor	California Department of Tax and Fee Admin	\$ 3,330.00	\$ 1,055.09	\$ 4,385.09	Interest
Trade Creditor	Carol Lee Shamon	\$ 2,116.50	\$ -	\$ 2,116.50	
Trade Creditor	Chef City Restaurant Equipment & Supplies	\$ 1,611.10	\$ -	\$ 1,611.10	
Tax Creditor	City Treasurer	\$ 47,876.45	\$ 9,354.94	\$ 57,231.39	Not owed - Represents tax & interest on unowned property
Trade Creditor	Colorado Distribution Group	\$ 4,680.93	\$ 574.84	\$ 5,255.77	Interest
Trade Creditor	Commerical Recovery fo So Media	\$ 1,711.63	\$ -	\$ 1,711.63	
Trade Creditor	Con & Coop Beach Rentals LLC	\$ 237,000.00	\$ -	\$ 237,000.00	
Trade Creditor	Creative Affordable Elegance	\$ 12,197.50	\$ -	\$ 12,197.50	
Trade Creditor	Daniel Malsack	\$ 1,520.00	\$ -	\$ 1,520.00	
Trade Creditor	De Novo Legal PC	\$ 44,129.05	\$ 2,118.75	\$ 46,247.80	Previously Paid
Trade Creditor	Economy Restaurant Euipment & Supply Co	\$ 1,366.84	\$ -	\$ 1,366.84	
Trade Creditor	Evco Par, Inc	\$ 20,147.80	\$ 6,300.00	\$ 26,447.80	Service not Authorized
Trade Creditor	Ford Motor Credit Company	\$ 24,077.34	\$ -	\$ 24,077.34	
Trade Creditor	Form-Craft Business Systems	\$ 661.72	\$ -	\$ 661.72	
Tax Creditor	Franchise Tax Board	\$ 2,016.48	\$ 714.41	\$ 2,730.89	Previously Paid
Trade Creditor	Futuristech Communications	\$ 51,819.90	\$ 8,269.00	\$ 60,088.90	Service not Authorized
Trade Creditor	Geocon Consultants, Inc	\$ 9,000.00	\$ -	\$ 9,000.00	
Trade Creditor	Green Guard Services, Inc	\$ 5,411.78	\$ -	\$ 5,411.78	
Trade Creditor	Higgs, Fletcher & Mack LLP	\$ 8,669.42	\$ -	\$ 8,669.42	
Trade Creditor	Holdren Lietzke Architecture	\$ 5,652.07	\$ -	\$ 5,652.07	
Trade Creditor	HRG Works Inc	\$ 6,860.00	\$ -	\$ 6,860.00	
Trade Creditor	J+L Eppig Brewing LLC	\$ 2,035.00	\$ -	\$ 2,035.00	
Trade Creditor	Jessica White	\$ 4,832.68	\$ -	\$ 4,832.68	
Trade Creditor	Jose Horna	\$ 3,534.15	\$ -	\$ 3,534.15	
Trade Creditor	Ken David	\$ 690.00	\$ -	\$ 690.00	
Trade Creditor	Kermit Lynch Wine Merchant	\$ 1,584.00	\$ -	\$ 1,584.00	
Trade Creditor	Kombucha on Tap, LLC	\$ 594.00	\$ -	\$ 594.00	
Trade Creditor	Lucid Enterprises LLC	\$ 1,756.49	\$ -	\$ 1,756.49	
Trade Creditor	McKinley Elevator Corporation	\$ 1,109.00	\$ -	\$ 1,109.00	
Trade Creditor	Michelle Schoser	\$ 17,780.96	\$ -	\$ 17,780.96	
Trade Creditor	Noonan Lance Boyer & Banach LLP	\$ 30,863.40	\$ 6,358.50	\$ 37,221.90	See Motion Narrative
Trade Creditor	O'Brien's Boulangerie	\$ 3,263.93	\$ -	\$ 3,263.93	
Trade Creditor	One World Meat Company LLC	\$ 6,951.00	\$ -	\$ 6,951.00	
Trade Creditor	Pacific Edge Wine Spirits	\$ 259.67	\$ -	\$ 259.67	
Trade Creditor	Padres, LP	\$ 1,007.96	\$ -	\$ 1,007.96	
Trade Creditor	Preeyapa Brandenburg	\$ 3,440.00	\$ -	\$ 3,440.00	
Trade Creditor	R.W. Smith & Co	\$ 14,565.87	\$ -	\$ 14,565.87	

Creditor Type	Creditor	Trade/Tax Creditor Claim Amounts Proposed as Allowed	Tax/Trade Creditor Claim Amounts Proposed as Disallowed	Total	Reason for Proposed Claim Amounts to be Disallowed (see also the Motion narrative for further explanation)
Trade Creditor	Regina C Franco	\$ 7,962.50	\$ -	\$ 7,962.50	
Trade Creditor	Repro Magic Inc	\$ 653.77	\$ -	\$ 653.77	
Trade Creditor	Robert Half International	\$ 8,567.68	\$ -	\$ 8,567.68	
Trade Creditor	San Diego Candle	\$ 297.36	\$ -	\$ 297.36	
Trade Creditor	Sara Stewart	\$ 1,200.00	\$ -	\$ 1,200.00	
Trade Creditor	Sarah Sheldon	\$ 640.00	\$ -	\$ 640.00	
Trade Creditor	Savor Brands, Inc	\$ 4,281.65	\$ -	\$ 4,281.65	
Trade Creditor	Sign King	\$ 4,317.04	\$ -	\$ 4,317.04	
Trade Creditor	Sky Inc	\$ 16,210.19	\$ -	\$ 16,210.19	
Trade Creditor	Smoothreads Inc	\$ 935.80	\$ -	\$ 935.80	
Trade Creditor	Stehly Farms Organics	\$ 2,925.00	\$ -	\$ 2,925.00	
Trade Creditor	T7 Architecture Inc	\$ 24,705.03	\$ 4,080.00	\$ 28,785.03	Previously Paid
Trade Creditor	The Rodman Law Group LLC	\$ 23,082.00	\$ 77,372.09	\$ 100,454.09	Service not Authorized
Trade Creditor	Timothy M Cummings	\$ 140.00	\$ -	\$ 140.00	
Trade Creditor	Tourage Consulting LLC	\$ 11,000.00	\$ -	\$ 11,000.00	
Trade Creditor	United Plumbing Heating Air Electric	\$ 34,920.00	\$ -	\$ 34,920.00	
Trade Creditor	US Bank Equipment Finance	\$ 82,709.17	\$ -	\$ 82,709.17	
Trade Creditor	W.J.R. Bevinco Inc	\$ 3,705.00	\$ -	\$ 3,705.00	
Trade Creditor	Weir Electric	\$ 8,150.25	\$ -	\$ 8,150.25	
Trade Creditor	Wells Fargo Bank N.A.	\$ 80,000.00	\$ 5,675.72	\$ 85,675.72	Interest
Trade Creditor	Westcott Press	\$ 6,974.40	\$ -	\$ 6,974.40	
Trade Creditor	Winship & Friedrichs APC	\$ 4,041.00	\$ -	\$ 4,041.00	
Trade Creditor	Workhorse Signs & Graphic LLC	\$ 9,457.09	\$ -	\$ 9,457.09	
Trade Creditor	Phong Luu	\$ -	\$ 3,410.63	\$ 3,410.63	See Motion Narrative
Trade Creditor	Iconik Builders Inc	\$ -	\$ 346,953.05	\$ 346,953.05	See Motion Narrative
Trade Creditor	Jennifer Graf	\$ -	\$ 20,769.23	\$ 20,769.23	See Motion Narrative
Trade Creditor	Merit Financial, Inc	\$ -	\$ 254,787.21	\$ 254,787.21	See Motion Narrative
Tax Creditor	San Diego County Treasurer - Tax Collector	\$ -	\$ 472.17	\$ 472.17	Not owed - Represents tax on unowned property
Tax Creditor	United States Treasury	\$ -	\$ 9,850.09	\$ 9,850.09	Not owed - account closed with no balance owing
Total Proposed Allowed, Disallowed Trade & Tax Creditor Claims		\$ 1,047,308.31	\$ 758,115.72	\$ 1,805,424.03	

EXHIBIT M

EXHIBIT M

David Mara
Grace Campbell
Taylor Hanks
Jill Vecchi
Joann B. Gerrity
Matthew Crawford
Joana Gloche
Taylor O'Donnell



2650 Camino Del Rio North
Suite 205, San Diego, CA 92108
Phone: (619) 234-2833
Fax: (619) 234-4048
MaraLawFirm.com

January 13, 2022

Via U.S. Mail

E3 Advisors
Attn: ANI Claims Process Administrator
501 West Broadway, Suite 290
San Diego, California 92101

To Whom It May Concern:

Please find enclosed Mr. Phong Luu's claim form. Although we have had a class action pending against The Patio Restaurant Group, LLC and ANI Commercial CA III, LP since March 22, 2019 (San Diego County Superior Court Case No. 37-2019-00015451-CU-OE-CTL) our office did not receive a claim form in the mail. Pursuant to anireceivership.com, non-investor proof of claim form packets were to be sent via physical mail via USPS. Because our office did not receive a claim form, we were not aware of the response deadline. As such, we respectfully request that you consider Mr. Luu's claim form, which is enclosed.

Best,
Jill Vecchi, Esq.

<p align="center">UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF CALIFORNIA CASE NO. 3:19-cv-01628-LAB-AHG</p> <p><i>SECURITIES AND EXCHANGE COMMISSION</i> vs. <i>GINA CHAMPION-CAIN; ANI DEVELOPMENT, LLC;</i> <i>DEFENDANTS</i> and <i>AMERICAN NATIONAL INVESTMENTS, INC.;</i> <i>RELIEF DEFENDANT</i></p>	<p align="center">TRADE CREDITOR PROOF OF CLAIM FORM</p> <div style="text-align: center;">  </div> <p align="center">THIS SPACE RESERVED FOR ADMINISTRATIVE USE ONLY</p>
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**PLEASE READ THE ACCOMPANYING LETTER - INSTRUCTIONS BEFORE
COMPLETING THIS FORM, THIS FORM MUST BE COMPLETED AND
RETURNED ON OR BEFORE DECEMBER 31, 2021**

NAME AND ADDRESS OF CLAIMANT:

Phong Luu

The submission of a Trade Creditor and Tax Claim Form does not guarantee that you will receive a distribution of any amount. Each claim will be reviewed by the Receiver, and the Receiver will then make a recommendation to the United States District Court for the Southern District of California ("Court") to allow or disallow part or all of the claim. Claimants will receive notice and an opportunity to respond if the Receiver disagrees with the amount stated on their claim. For claims that are allowed, distributions will be made pursuant to a Court-approved distribution plan. The amount distributed will depend on the total amount of allowed claims, the total assets available for distribution, and the terms of the distribution plan.

In submitting your claim, please keep in mind that an allowed claim shall not include claims for interest, late fees, contract or other damages, legal fees incurred, contingent or unliquidated damages. Furthermore, only claims for actual services provided or materials delivered to the Receivership Entities prior to the receivership will be considered.

I am submitting a claim as an/a (must check only one box):

- ☐ Trade Creditor or Vendor
- ☒ Employee (if selected, must complete Section II **and** Section VII below)
- ☐ Tax Agency (State, Federal or local taxing authority)
- ☐ Other. If Other, provide explanation: _____

Exhibit M, Page 1012

Please list and explain the amount of your claim and how the claim arose (use extra sheet if necessary) – YOU MUST ALSO PROVIDE COPIES OF ALL INVOICES, CONTRACTS, AND OTHER DOCUMENTATION SUPPORTING THIS CLAIM.

Date of claim/service/delivery of goods/contract/tax	Amount of Claim (e.g., Invoice/Bill)	Description of claim/contract and/or service, goods or basis for tax claim
10/7/2018	\$15.00	Plaintiff was not provided with a second meal period and not paid a premium payment in lieu thereof
9/28/18, 9/29/18, 9/30/18, 10/2/18, 10/6/18, 10/7/18	\$90.00	Plaintiff was not provided with rest periods in compliance with California law
9/28/18, 9/29/18, 9/30/18, 10/2/18, 10/6/18, 10/7/18	\$5.63	Plaintiff was required to perform work off the clock before and after his shift
10/8/18 - 11/6/18	\$3,150.00	Plaintiff is entitled to waiting time penalties for not being paid all wages owed to him at the termination of employment
10/5/19, 10/8/18	\$150.00	Plaintiff did not receive accurate itemized wage statements because Defendant's wage statements do not include the rates of pay

Supporting Documents: If you are a trade creditor, vendor, employee, taxing authority or other claimant, you are required to provide sufficient documentation supporting your claim; claims submitted without sufficient supporting documentation may be disallowed. Please send copies only and retain your original records; original materials provided to the Monitor will not be returned to you. Upon completion, be sure to keep a copy of your completed claim form and proof of mailing. Please send all documentation to: E3 Advisors, Attn: ANI Claims Process Administrator, 501 West Broadway, Suite 290, San Diego, CA 92101. If the Receiver has questions or needs further information, her office will contact you.

Date Stamped Copy: To receive an acknowledgement of the filing of your Claim Certification Form, please enclose a stamped, self-addressed envelope and an additional copy of this Claim Certification Form.

Signature: Sign and print the name and title, if any, of the claimant or other person authorized to file this claim (attach copy of power of attorney, death certificate, trust beneficiary, or other documents as needed). **YOU MUST PROVIDE AN ORIGINAL SIGNATURE.**

PLEASE NOTE that we cannot provide you with tax or legal advice relating to your claim. If you have concerns about the tax or legal implications of your claim, please contact an attorney or your tax advisor.

By Signing My/Our Name Below, I/We Acknowledge and Affirm that: I/we will supplement this Proof of Claim Form if any information given later becomes inaccurate or incomplete; I/we am/are a creditor of the Receivership Entities; I/we hereby affirm that the answers provided herein are truthful; and that I/we understand that this Proof of Claim is submitted under penalty of perjury.

Date: 1/13/2022 | 11:25:44 AM PST

Signature:  Name: Phong Luu
C425A8D640A74AE...

Title (if any) _____

Signature: _____ Name: _____

Title (if any) _____

Signature: _____ Name: _____

Title (if any) _____

11/27/2018

Print Preview

THE PATIOTM ON GOLDFINCH		1	
ANI Commercial CA III LLC 3515 Hancock Street Suite 200 San Diego, CA 92110		Pay Statement Period Start Date 09/16/2018 Period End Date 09/30/2018 Pay Date 10/05/2018 Document 16736 Net Pay \$336.32	
Pay Details			
PHONG H LUU	Employee Number 008345	Pay Group Patio on Goldfinch	Federal Income Tax S 5
	SSN XXX-XX-XXXX	Location The Patio on Goldfinch	CA State Income Tax S 5
	Job LINE COOK	Cost Center 003 - Back of House	CA State Income Tax (Work) S 5
USA	Pay Rate \$15.0000		
	Pay Frequency Semi-Monthly		
Earnings			
Pay Type	Hours	Current	YTD
Meal	1.0000	\$15.00	\$15.00
Overtime	0.0500	\$1.12	\$1.12
Regular Pay	23.4700	\$352.05	\$352.05
Total Hours 24.5200			
Deductions			
Deduction	Based On	Pre-Tax	Employee Current YTD
No records found			Employer Current YTD
Taxes			
Tax	Based On	Current	YTD
Employee Medicare	\$368.17	\$5.34	\$5.34
Social Security Employee Tax	\$368.17	\$22.83	\$22.83
CA Disability Employee	\$368.17	\$3.68	\$3.68
Paid Time Off		Net Pay Distribution	
Plan	Current	Balance	Account Number
Sick pay	0.7842	0.7842	Account Type
			Amount
			Check amount
			Total
			\$336.32
			\$336.32
Pay Summary			
	Gross	FIT Taxable Wages	Taxes
Current	\$368.17	\$368.17	\$31.85
YTD	\$368.17	\$368.17	\$31.85
			Deductions
			\$0.00
			Net Pay
			\$336.32
			\$336.32

ANI Commercial CA III LLC
3515 Hancock Street
Suite 200
San Diego, CA 92110

Check No 118
Date 10/8/2018

16-24
1220

PAY

Two Hundred Fifty-Three and 77/100 *****

\$253.77

Wells Fargo Goldfinch IC

TO THE
ORDER
OF PHONG H. LUU

Authorized Signature

⑈000000118⑈

⑆122000247⑆

1844034452

STATEMENT OF EARNINGS - DETACH ALONG THIS PERFORATION AND RETAIN FOR YOUR RECORDS									
ANI Commercial CA III LLC 3515 Hancock Street Suite 200 San Diego, CA 92110									
PHONG H. LUU		Paygroup	2200	FIT	S	5	Check No	118	
		Location	2201	SIT res	S	5	Check Date	10/8/2018	
		Cost Center	003	SIT work	S	5	Period Start	10/1/2018	
		Not Used					Period End	10/15/2018	
Emp No 008345							Job	LINECOOK	
							Pay Rate	15.0000	
COMPANY MESSAGE									
EARNINGS									
Pay Type	Place Units	Place Rate	Period Start	Period End	Hours	Pay Rate	Current	YTD	
Meal								15.00	
Overtime								1.12	
Regular Pay					18.52	15.0000	277.60	628.85	
					Total Hours	18.52			
DEDUCTIONS			TAXES			EMPLOYEE ACCRUALS			
Deduction	Current	YTD	Tax Code	Current	YTD	Accrual Description	Current	Balance	
			Employee Medicare	4.03	9.37	Sick pay	0.62	1.40	
			Social Security Empl	17.22	40.05				
			CA Disability Empl	2.78	6.46				
NET PAY DISTRIBUTION									
Account Number		Type		YTD					
GROSS		TAXES		DEDS		NET PAY			
CURRENT	277.80	24.03		0.00		253.77			
YTD	645.97	55.88		0.00		590.09			
Check Amount							253.77		
Total Net Pay							253.77		

DocuSign Envelope ID: 5D8A260A-D3C1-49BF-98CA-EEC223ABBC91



ANI COMMERCIAL CA III LLC
3515 HANCOCK STREET
SUITE 200
SAN DIEGO, CA 92110

Check No 16736
Check Date 10/5/2018
Period Start 9/16/2018
Period End 9/30/2018

PHONG H LUU	Emp No Location Cost Center Not Used	008345 2201 003	Pay Rate FIT Addl FIT amt SIT res Addl SIT res amt SIT Work Addl SIT Work amt	15.00 \$ 5 0.00 \$ 5 0.00 \$ 5 0.00	LIT res Addl LIT res amt LIT Work Addl LIT Wk amt Pay Group Job	0 0.00 0 0.00 2200 LINECOOK
	AR	AME1094				

EARNINGS						TAXES			
Pay Type	Hours	Pay Rate	Current	YTD		Tax Code	Current	YTD	
Meal	1.00	15.00	15.00	15.00	15.00	Employee Medicare	5.34	5.34	
Overtime	0.05	22.50	1.12	1.12	1.12	Social Security Empl	22.83	22.83	
Regular Pay	23.47	15.00	352.05	352.05	352.05	CA Disability Empl	3.88	3.88	
Total Hours						Total	31.85	31.85	
Total									

EMPLOYEE ACCRUALS				DEDUCTIONS				EMPLOYER AMOUNTS				NET PAY DISTRIBUTION			
Description	Balance	Taken	Remaining	Description	Current	YTD	Current	YTD	Type	Acct Number	Amount	Type	Acct Number	Amount	
ILLNES	0.78														

* Balance on Hand															
GROSS	352.05			TAXES	31.85		DEDS	0.00	NET PAY	338.32	Total Net Pay	338.32			
CURRENT	352.05										Check Amount	338.32			
YTD	352.05														

Ultimate
SOFTWARE

UltiPro
— by ULTIMATE SOFTWARE —

ANI COMMERCIAL CA III LLC
3515 HANCOCK STREET
SUITE 200
SAN DIEGO, CA 92110

18-24/1220
WELLS FARGO GOLDFINCH Check No. 16736

VOID

Date: 10/5/2018
\$336.32

Three Hundred Thirty-Six and 32/100 *****

PAY TO THE
ORDER OF

LUU, PHONG H

2.

00002

AME1094/HQ12201

⑈0000016736⑈ ⑆122000247⑆ 1844034452⑈

ANI Inc.**Payroll Report**

Date Range: 9/26/2018 to 10/8/2018
 Report Group: The Patio on Goldfinch
 Stores Reporting: 100%

Metric: Employee Details

Employee ID: Payroll ID

Zero Rate Employees: Excluded

Sort Order: Employee Name

External Shifts: Excluded

Hide Zero Dollar Penalties: No

Multiple Locations: All Locations Combined

CC Tips Mode: Original

Filter: By Pay ID: 8345

One or more locations have not been certified through Payroll Validation. This report is unsuitable for payroll purposes.

Break Reg[OT][DT] activity is already in associated job activity (Total =Reg + OT +DT)

LUU, PHONG

Break										Paid	Unpaid	Autograds									
Date	In	Out	Loc #	Job	Reg Hrs	OT Hrs	DT Hrs	Tot Hrs	Break	Break	Brk Pay	Rate	Reg Pay	OT Pay	DT Pay	Special	Total Pay	CC Tips	Decl Tips	Sales	
9/29/2018	9:59 AM	10:29 AM	2	Break	0.00	0.00	0.00	0.00	0.00	0.50	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9/30/2018	10:21 AM	10:52 AM	2	Break	0.00	0.00	0.00	0.00	0.00	0.52	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10/2/2018	10:28 AM	11:10 AM	2	Break	0.00	0.00	0.00	0.00	0.00	0.70	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10/6/2018	10:05 AM	10:35 AM	2	Break	0.00	0.00	0.00	0.00	0.00	0.50	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total: Break					8345	0.00	0.00	0.00	0.00	2.22	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Meal Break Penalty									Paid	Unpaid	Autograds									
Date	In	Out	Loc #	Job	Reg Hrs	OT Hrs	DT Hrs	Tot Hrs	Break	Break	Brk Pay	Rate	Reg Pay	OT Pay	DT Pay	Special	Total Pay	CC Tips	Decl Tips	Sales
9/26/2018			2	Meal Break Penalty												15.00				
Total: Meal Break Penalty					8345	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	15.00	15.00	0.00	0.00	0.00

Cook										Paid			Unpaid			Autograts							
Date	In	Out	Loc #		Job	Reg Hrs	OT Hrs	DT Hrs	Tot Hrs	Break	Break	Brk Pay	Rate	Reg Pay	OT Pay	DT Pay	Special	Total Pay	CC Tips	Decl Tips	Sales		
* 9/28/2018	8:00 AM	3:30 PM	2		Cook	7.50	0.00	0.00	7.50	0.00	0.00	0.00	15.00	112.50	0.00	0.00	0.00	112.50	0.00	0.00	0.00		
9/29/2018	7:05 AM	3:33 PM	2		Cook	7.97	0.00	0.00	7.97	0.00	0.00	0.00	15.00	119.55	0.00	0.00	0.00	119.55	0.00	0.00	0.00		
9/30/2018	7:04 AM	3:38 PM	2		Cook	8.00	0.05	0.00	8.05	0.00	0.00	0.00	15.00	120.00	1.13	0.00	0.00	121.13	0.00	0.00	0.00		
10/2/2018	8:10 AM	2:05 PM	2		Cook	5.22	0.00	0.00	5.22	0.00	0.00	0.00	15.00	78.30	0.00	0.00	0.00	78.30	0.00	0.00	0.00		
10/6/2018	7:00 AM	3:27 PM	2		Cook	7.95	0.00	0.00	7.95	0.00	0.00	0.00	15.00	119.25	0.00	0.00	0.00	119.25	0.00	0.00	0.00		
10/7/2018	7:04 AM	12:25 PM	2		Cook	5.35	0.00	0.00	5.35	0.00	0.00	0.00	15.00	80.25	0.00	0.00	0.00	80.25	0.00	0.00	0.00		
Total: Cook					8345	41.99	0.05	0.00	42.04	0.00	0.00	0.00	15.00	629.85	1.13	0.00	0.00	630.98	0.00	0.00	0.00		

Total: LUU, PHONG					41.99	0.05	0.00	42.04	0.00	2.22	0.00	15.00	629.85	1.13	0.00	15.00	645.98	0.00	0.00	0.00
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Report Total					41.99	0.05	0.00	42.04	0.00	2.22	0.00	629.85	1.13	0.00	15.00	645.98	0.00	0.00	0.00
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Total # of Employees: 1

David Mara, Esq. (SBN 230498)
Jill Vecchi, Esq. (SBN 299333)
Matthew Crawford, Esq. (SBN 310230)
Nikki Trenner, Esq. (SBN 316007)
MARA LAW FIRM, PC
2650 Camino Del Rio North, Suite 205
San Diego, California 92108
Telephone: (619) 234-2833
Facsimile: (619) 234-4048

Attorneys for Plaintiff PHONG LUU, on behalf
of himself, all others similarly situated, an on
behalf of the general public.

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

PHONG LUU, on behalf of himself, all others
similarly situated, an on behalf of the general
public,

Plaintiff,

v.

THE PATIO RESTAURANT GROUP, LLC;
ANI COMMERCIAL CA III, LP; and DOES 1-
100,

Defendants.

Case No.: 37-2019-00015451-CU-OE-CTL

**DECLARATION OF PLAINTIFF PHONG
LUU IN SUPPORT OF OPPOSITION TO
DEFENDANTS THE PATIO
RESTAURANT GROUP, LLC & ANI
COMMERCIAL CA III, LP'S MOTION OF
SANCTIONS PURSUANT TO C.C.P. § 128.7**

Honorable Kenneth J. Medel
Dept.: C-66

Date: July 12, 2019
Time: 10:30 a.m.

1 I, Phong Luu, declare as follows:

2 1. I have personal knowledge of all matters stated herein, and if called as a witness, I could and
3 would competently testify thereto, except as to those matters stated upon information and belief, and
4 as to those matters, I believe them to be true.

5 2. I am the named Plaintiff in the above-captioned lawsuit, and I submit this declaration in
6 support of Plaintiff's Opposition to Defendants The Patio Restaurant Group, LLC's and ANI
7 Commercial CA III, LP's ("Defendants") Motion for Sanctions Pursuant to C.C.P. § 128.7.

8 3. I worked at The Patio on Goldfinch during the relevant statutory period, including on October
9 7, 2018 when I worked over 5 hours on that shift. Defendants employed me at 4020 Goldfinch Street,
10 San Diego, CA 92103. I worked in Defendants' restaurant in the kitchen as a line cook.

11 4. I am bringing this action to help the State of California enforce my rights and similarly situated
12 employees' rights. From the start of this case, I have understood that I have been looking out for the
13 good of the other employees of Defendants, and I am participating in this case, not only for myself
14 but also for the current and former employees of Defendants.

15 5. During my employment at The Patio on Goldfinch, I was not provided an opportunity to take
16 paid ten (10) minute rest periods. Instead, I was expected to work through rest periods and fulfill
17 customer orders. I did not receive one hour of pay for not being provided rest periods.

18 6. I was required to travel through the large restaurant every day in order to reach the timeclock
19 and my workstation. It took approximately two to three minutes for me to travel through the restaurant
20 before clocking in for a shift and after clocking out for a shift. I was not paid for the time I spent
21 traveling through the restaurant before clocking in and after clocking out for a shift or break.

22 7. I left my employment with Defendants in 2018 and still have not been paid all my wage
23 including, but not limited to, time I spent going through the restaurant upon arriving work and again
24

1 when leaving at the end of the day, or any other unpaid time when I would enter and exit the
2 restaurant.

3
4 I hereby declare under penalty of perjury under the laws of the State of California that the foregoing
5 is true and correct.

6
7 Dated: June 27, 2019

8 

9 PHONG LUU
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Case: **Phong Luu v. The Patio Restaurant Group**
Court: **San Diego Superior Court**
Case No. **37-2019-00015451-CU-OE-CTL**

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF SAN DIEGO

I am employed in the County of: San Diego, State of California.

I am over the age of 18 and not a party to the within action; my business address is:
2650 Camino Del Rio N., Suite 205, San Diego 92108

On, January 13, 2022 I served the foregoing document(s) described as:

Letter and Claim Form

On interested parties in this action by placing a true copy thereof enclosed in a sealed envelope addressed as follows:

E3 Advisors

Attn: ANI Claims Process Administrator
501 West Broadway, Suite 290
San Diego, California 92101

[XX] (BY UNITED STATES MAIL) On January 13, 2022, I enclosed the documents in a sealed envelope or package addressed to the persons at the addresses named above and deposited the sealed envelope with the United States Postal Service, with the postage fully prepaid.

[XX] (DECLARATION) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Dated: January 13, 2022


Coley Hayes

EXHIBIT N

EXHIBIT N

<p>UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF CALIFORNIA CASE NO. 3:19-cv-01628-LAB-AHG</p> <p><i>SECURITIES AND EXCHANGE COMMISSION</i> vs. <i>GINA CHAMPION-CAIN; ANI DEVELOPMENT, LLC; DEFENDANTS</i> and <i>AMERICAN NATIONAL INVESTMENTS, INC.; RELIEF DEFENDANT</i></p>	<p>TRADE CREDITOR PROOF OF CLAIM FORM</p> <p></p> <p>THIS SPACE RESERVED FOR ADMINISTRATIVE USE ONLY</p>
---	---

**PLEASE READ THE ACCOMPANYING LETTER - INSTRUCTIONS BEFORE
COMPLETING THIS FORM, THIS FORM MUST BE COMPLETED AND
RETURNED ON OR BEFORE DECEMBER 31, 2021**

NAME AND ADDRESS OF CLAIMANT:

Jennifer Graf
2344 Greenbriar Dr Unit D
Chula Vista, CA 91915-1119

The submission of a Trade Creditor and Tax Claim Form does not guarantee that you will receive a distribution of any amount. Each claim will be reviewed by the Receiver, and the Receiver will then make a recommendation to the United States District Court for the Southern District of California ("Court") to allow or disallow part or all of the claim. Claimants will receive notice and an opportunity to respond if the Receiver disagrees with the amount stated on their claim. For claims that are allowed, distributions will be made pursuant to a Court-approved distribution plan. The amount distributed will depend on the total amount of allowed claims, the total assets available for distribution, and the terms of the distribution plan.

In submitting your claim, please keep in mind that an allowed claim shall not include claims for interest, late fees, contract or other damages, legal fees incurred, contingent or unliquidated damages. Furthermore, only claims for actual services provided or materials delivered to the Receivership Entities prior to the receivership will be considered.

I am submitting a claim as an/a (must check only one box):

☐ Trade Creditor or Vendor

☒ Employee (if selected, must complete Section II **and** Section VII below)

☐ Tax Agency (State, Federal or local taxing authority)

☐ Other. If Other, provide explanation: _____

☐ Check this box **ONLY** if your current address has changed and, if so, please print updated address here:

Updated Address: _____

Telephone No. of Claimant: _____

Email Address of Claimant: _____

Tax I.D.: _____

Name as it should appear on distribution check:

Payee: Jennifer Graf

Payment Address (only IF different than address on file):

Payment Address: _____

DETAILED CHART ON FOLLOWING PAGE(s)

Please list and explain the amount of your claim and how the claim arose (use extra sheet if necessary) – YOU MUST ALSO PROVIDE COPIES OF ALL INVOICES, CONTRACTS, AND OTHER DOCUMENTATION SUPPORTING THIS CLAIM.

[illegible]

Supporting Documents: If you are a trade creditor, vendor, employee, taxing authority or other claimant, you are required to provide sufficient documentation supporting your claim; claims submitted without sufficient supporting documentation may be disallowed. Please send copies only and retain your original records; original materials provided to the Monitor will not be returned to you. Upon completion, be sure to keep a copy of your completed claim form and proof of mailing. Please send all documentation to: E3 Advisors, Attn: ANI Claims Process Administrator, 501 West Broadway, Suite 290, San Diego, CA 92101. If the Receiver has questions or needs further information, her office will contact you.

Date Stamped Copy: To receive an acknowledgement of the filing of your Claim Certification Form, please enclose a stamped, self-addressed envelope and an additional copy of this Claim Certification Form.

Signature: Sign and print the name and title, if any, of the claimant or other person authorized to file this claim (attach copy of power of attorney, death certificate, trust beneficiary, or other documents as needed). **YOU MUST PROVIDE AN ORIGINAL SIGNATURE.**

PLEASE NOTE that we cannot provide you with tax or legal advice relating to your claim. If you have concerns about the tax or legal implications of your claim, please contact an attorney or your tax advisor.

By Signing My/Our Name Below, I/We Acknowledge and Affirm that: I/we will supplement this Proof of Claim Form if any information given later becomes inaccurate or incomplete; I/we am/are a creditor of the Receivership Entities; I/we hereby affirm that the answers provided herein are truthful; and that I/we understand that this Proof of Claim is submitted under penalty of perjury.

Date: December 29, 2021
Signature: [Signature] Name: Jennifer Graf
Title (if any): Senior Director of Marketing

Signature: _____ Name: _____

Title (if any) _____

Signature: _____ Name: _____

Title (if any) _____



February 8th, 2019

Offer Letter

Jennifer Graf,

On behalf of American National Investments, INC (hereinafter, the "Company"), I am pleased to offer you the position of Senior Marketing Director, to be based out of 3515 Hancock Street, CA location. We have set forth some details of your offer of employment below.

This position of Senior Marketing Director reports to Benjamin Young, Chief Operating Officer and Controller. This position is an exempt status position. Should you accept this offer, you will be paid a salary of \$135,000 annually. Employees are paid Bi-Weekly, minus any required deductions for withholding and any other authorized employee deductions. If for any reason this position should be eliminated within the first 12 months of hire date, the employee shall receive 8 weeks of severance, minus any required deductions for withholdings and any other authorized employee deductions.

As a full-time employee, the Company will provide you and your eligible family members with the standard benefits, including Medical, Dental, Vision and PTO, which are described in detail in the general employee benefits materials we will provide to you.

Your estimated start date is February 25th, 2019. This offer is contingent upon: (1) you providing us with documentation establishing your eligibility to work in the United States as required by Federal law; and (2) your signing the attached Proprietary Information Agreement (3) a background check is completely.

Nothing in the above paragraphs or in this entire letter shall be construed in any way to guarantee continued employment for any period. Your employment, if you accept this offer, will be "at-will." At-will employment means that both you and the Company are free to terminate the employment relationship at any time, with or without cause or notice.

This offer letter contains our entire understanding regarding the at-will nature of your employment, your compensation and supersedes any and all prior representations regarding such matters.

If the foregoing is acceptable, please sign the original of this letter and return it to me within 5 days, retaining a copy for your own file. We look forward to your decision.

Sincerely,

A handwritten signature in cursive script that reads "Michelle Hill".

Michelle Hill
Senior Vice President, Human Resources

I accept this offer on the terms set forth

Print name: Jennifer Graf

Signature: Jennifer M. [Signature]
Date: 2/10/19

AMERICAN NATIONAL INVESTMENTS INC.

PROPRIETARY INFORMATION AND
INVENTION AGREEMENT

Jennifer Traf [insert name], as a condition of my becoming employed, or as a condition of my continued employment with AMERICAN NATIONAL INVESTMENTS INC.

(hereinafter, the "Company"), I hereby agree to and confirm this Proprietary Information and Invention Agreement between me and the Company (herein, the "Agreement"), as follows:

1. CONFIDENCE AND TRUST RELATIONSHIP. The Company is in the business of researching and developing unique recipes and meals, and producing and selling unique food. As such, the Company possesses and will continue to create, develop, own and possess knowledge and information that is known only to and belongs to the Company (hereinafter referred to as "Proprietary Information." This Proprietary Information includes information created, discovered, developed and/or otherwise conveyed to the Company, and/or made known to or by me. This Proprietary Information has significant commercial value to the Company. I understand that my employment creates a relationship of confidence and trust between me and the Company with respect to any and all Proprietary Information applicable to the business of the Company, or applicable to the business of any client or customer of the Company, which may be made known to me by the Company or by any client or customer of the Company, or learned by me during the period of my employment.

2. CONFIRMATION OF AT-WILL EMPLOYMENT. Except as otherwise provided herein, I understand, acknowledge and confirm that my Relationship with the Company is and shall continue to be AT-WILL as defined under applicable law, meaning that either the Company or I may terminate the Relationship at any time for any reason or no reason, without further obligation or liability.

3. PROPRIETARY INFORMATION.

(a) Definition of "Proprietary Information." I understand that "Proprietary Information" means any and all of the Company's confidential and secret information obtained, learned or utilized by me during the period of our Relationship, including, without limitation, ingredients, recipes, know-how, inventions, research, products, product plans, product development, processes, machinery/instrumentation and machinery/instrumentation suppliers, improvements, , technology, designs, drawings, engineering, services, suppliers, customer lists and customers (including, without limitation, customers of the Company on whom I call or with whom I became acquainted during the Relationship), pricing and costs, markets and marketing, current and future product strategies, culinary collaborations, hardware and software, configuration information, licenses, finances, budgets, and all other business information disclosed to me by the

Company either directly or indirectly, in writing, orally or by my efforts and by my observation, and the products, components and/or equipment created by me, on behalf of the Company whether or not during working hours. I further understand that "Proprietary Information" includes, without limitation, information pertaining to any and all aspects of the Company's business which is (i.) Information not known by actual or potential competitors of the Company, and/or is (ii.) Proprietary Information of the Company and/or its customers or suppliers, whether of a culinary nature or otherwise.

(b) Non Disclosure. I agree at all times during the term of my Relationship with the Company, AND AT ALL TIMES THEREAFTER, to hold in strictest confidence all "Proprietary Information" of the Company which I have obtained, learned or created, and not to use or disclose such Proprietary Information to any person, restaurant, corporation or other entity without written authorization from the President of the Company. I further agree not to make copies of such Proprietary Information except as authorized by the Company and for its business purposes.

I shall not disclose, use or induce or assist in the use or disclosure of any Proprietary Information without the Company's prior express written consent, except as may be necessary in the ordinary course of performing my duties as an employee of the Company.

4. INVENTIONS.

(a) My Prior Inventions Retained and Licensed. I have attached hereto as Exhibit "A" a list specifically describing all inventions, original works of authorship, developments, improvements and trade secrets which were created by me, or with another person or entity jointly, prior to the commencement of our Relationship (collectively referred to herein as "Prior Inventions"), which belong solely to me or belong to me jointly with another person or entity, which relate in any way to any of the Company's proposed businesses, products or research and development, and which are not assigned to the Company hereunder. If no such Exhibit "A" is attached, such constitutes my representation that there are no such Prior Inventions. If, in the course of my Relationship with the Company, I incorporate into any Company product, process or machine a Prior Invention owned by me or in which I have an interest, the Company is hereby granted and shall have a non-exclusive, royalty-free, irrevocable, perpetual, worldwide license to make, have made, copy, modify, make derivative works of, use, sell and otherwise distribute such Prior Invention as part of or in connection with such product, process or machine. Should any of my Prior Invention(s) require the consent of any other person or entity in order to effectuate this grant of right, I will utilize my best efforts to obtain such written consent from such person or entity.

(b) Assignment of Inventions. I hereby assign to the Company or its designee, all my right, title and interest, throughout the world, in and to any and all Inventions, original works of authorship, developments, designs, concepts, know-how, improvements, trade secrets and Proprietary Information, whether or not patentable or registerable under copyright or similar laws, which I may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice, during the period of time in which I am employed by the Company (collectively referred to as "Inventions"), except as provided in Section 4(e) below. I

further acknowledge that all Inventions, original works of authorship, developments, concepts, know-how, improvements or trade secrets which are made by me (solely or jointly with others) within the scope of and during the period of my Relationship with the Company, are "works made for hire" (to the greatest extent permitted by applicable law) and are compensated by my salary or wages unless regulated otherwise by mandatory laws of the state of California or the federal government. I hereby acknowledge that all amounts paid or to be paid to me as compensation for my services are deemed to be adequate and sufficient for such assignment(s).

(c) Maintenance of Records. I agree that I will promptly make full written disclosure to the Company and will hold in trust for the sole right and benefit of the Company, all such Inventions which are made by me (solely or jointly with others) within the scope of and during the period of my Relationship with the Company. I agree to keep and maintain adequate and current written records of my Inventions, which may be in the form of notes, sketches, drawings, flow charts, electronic data or recordings, notebooks, and any other reasonable format. The records will be available to and remain the sole property of the Company at all times. I agree not to remove such records from the Company's place of business except as expressly permitted by Company policy which may, from time to time, be revised at the sole election of the Company for the purpose of furthering the Company's business.

(d) Patent and Copyright Rights. I agree to assist the Company and/or its designee(s), at the Company's expense, in every proper way, in order to secure the Company's rights in the Inventions and any copyrights, patents, trademarks, mask work rights, moral rights, or other intellectual property rights relating thereto, in any and all countries, including the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments, recordation's, and all other instruments which the Company shall deem necessary in order to apply for, obtain, maintain and transfer such rights, and in order to assign and convey to the Company, its successors, assigns and nominees, the sole and exclusive rights, title and interest in and to such Inventions and any copyrights, patents, and other intellectual property rights relating thereto.

I further agree that my obligation to execute or cause to be executed, when it is in my power to do so, any such instrument or papers, shall continue after the termination of this Agreement until the expiration of the last such intellectual property right to expire in any country of the world. The Company will reimburse me for the reasonable value of my time and expenses for obtaining and enforcing patents for such Inventions.

(e) EXCEPTIONS TO ASSIGNMENT. I understand that the provisions of this agreement requiring assignment of inventions to the Company do not apply to any invention that qualifies fully under the provisions of California Labor Code section 2870, a copy of which attached hereto as exhibit "B". I will notify the Company promptly in writing of any inventions that I believe meet such provisions and are not otherwise disclosed in exhibit "A" hereto.

5. RETURNING COMPANY DOCUMENTS AND EQUIPMENT. I agree that, at the time of termination of my Relationship with the Company for any reason, I will deliver to the

Company (and will not keep in my possession, copy, recreate or deliver to anyone else) any and all Proprietary Information, Inventions, devices, equipment, manuals, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, sketches, restaurant notebooks, materials, flow charts, financial or other documents or property, or reproductions of any aforementioned, developed by me pursuant to the Relationship or otherwise belonging to the Company, its successors or assigns. In the event of the termination of the Relationship, I agree to sign and deliver the "Termination Certification" attached hereto as Exhibit C.

6. INSPECTION RIGHTS. I agree that all confidential or Proprietary Information, and other property situated on the Company's premises and owned by the Company, including, without limitation, computer disks and other storage media, filing cabinets, restaurant notebooks and work areas, is subject to inspection by Company personnel at any time, with or without notice.

7. NOTIFICATION TO OTHER PARTIES. In the event that my Relationship with the Company is terminated for any reason, I hereby consent to notification to my new employer by the Company about my rights and obligations under this Agreement.

8. REPRESENTATIONS AND COVENANTS.

(a) Facilitation of Agreement. I agree to execute promptly any proper oath or verify any proper document required to carry out the terms of this Agreement upon the Company's request to do so.

(b) Conflicts. I have not entered into, and I agree I will not enter into, any oral or written agreement in conflict with any of the provisions of this Agreement.

(c) Voluntary Execution. I HEREBY CERTIFY AND ACKNOWLEDGE THAT I HAVE CAREFULLY READ ALL OF THE PROVISIONS OF THIS AGREEMENT AND THAT I UNDERSTAND AND WILL FULLY AND FAITHFULLY COMPLY WITH EACH OF ITS PROVISIONS.

9. GENERAL PROVISIONS.

(a) Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California, without giving effect to the principles of conflict of laws.

(b) Entire Agreement. This Agreement sets forth the entire agreement and understanding between the Company and me relating to the subject matter herein and merges all prior discussions between us. No modification or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing signed by the party to be charged. Any subsequent change or changes in my duties, obligations, rights or compensation will not affect the validity or scope of this Agreement.

(c) Severability. If one or more of the provisions of this Agreement are deemed to be void, then the remaining provisions will continue in full force and effect.

(d) Successors and Assigns. This Agreement will be binding upon my heirs, executors, administrators and other legal representatives and will be for the benefit of the Company, its successors, and its assigns.

(e) Survival. The provisions of this Agreement shall survive the termination of the Relationship and any assignment of this Agreement by the Company to any successor in interest or other assignee.

(f) Effective Date. This Agreement shall be effective as of the first day of my first employment by the Company.

(g) ADVICE OF COUNSEL. I HEREBY ACKNOWLEDGE THAT, BY EXECUTING THIS AGREEMENT, I CONFIRM THAT I HAVE HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL OF MY OWN CHOOSING CONCERNING THIS AGREEMENT'S CONTENT AND MEANING, AND I HAVE READ AND I UNDERSTAND ALL OF ITS TERMS AND PROVISIONS. THIS AGREEMENT SHALL NOT BE CONSTRUED AGAINST ANY PARTY BY REASON OF THE DRAFTING OR PREPARATION HEREOF.

AMERICAN NATIONAL INVESTMENTS INC.

PROPRIETARY INFORMATION AND
INVENTION AGREEMENT

THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE RESPECTIVE DATES SET FORTH BELOW:

COMPANY: AMERICAN NATIONAL INVESTMENTS INC.

By: _____

Title: _____

Date: _____

EMPLOYEE print name: Jennifer Graft an Individual

EMPLOYEE Signature: [Signature]

Date: 2/10/19



Notice of Layoff

I acknowledge that my employment has ended as of 10/2/2019 as SENIOR DIRECTOR OF MARKETING located at 3515 Hancock St. San Diego, CA 92110.

I have received my final paycheck from American National Investments, INC. which includes my final wages and all other amounts due to me. With the receipt of this check, I accept and acknowledge that American National Investments, INC. has paid everything due to me through my final day of employment.

If you have not already returned all of the company's property (including but not limited to passwords, equipment, keys, documents, files, and any other written or electronic company information), you are expected to return that property to management at American National Investments, INC. as soon as possible.

I acknowledge my agreement to and receipt of this notice.

JENNIFER GRAF

10/2/2019

I refuse to sign this notice as I have not yet received the severance wages due to me per my contract. To date, I am owed 8 weeks of wages. - Jennifer Graf

Earnings Statement**JENNIFER GRAF**

Company:0RG95 - AMERICAN NATIONAL INVESTMENTS INC

Pay Date: 10/02/2019

Emp#: 2572

Period Start: 09/23/2019 3515 HANCOCK STREET

Dept: 108

Period End: 10/06/2019 SAN DIEGO, CA 92110 (619) 831-6967

Pay Basis: Salary

Earnings	Rate	Hours/Units	Current Period	Year to Date
Regular			4153.85	77366.42
Paid Time Off			0.00	3115.39
Sick			0.00	1557.69
Cell Phone Reimbursement	0.00	0.00	0.00	700.00
Mileage Non Taxable	0.00	0.00	0.00	286.53
Reimbursement	0.00	0.00	0.00	222.55
Gross Pay		64.00	4153.85	83248.58

W/H Taxes

S/5 Federal W/H	522.40	12176.89
Medicare	58.76	1173.40
Social Security	251.25	5017.29
S/3 California State W/H	266.07	5902.67
CaliforniaSDI Tax	40.52	809.24

Deductions

Medical	101.41	1115.51
Net Pay	2913.44	57053.58

Net Pay Distribution

Manual Check	2913.44	57053.58		
Employee Benefits	Current Period	Year to Date	YTD Taken	Available
San Diego Sick Leave Hours	2.13	39.73	24.00	15.73
PTO Hours	4.62	50.82	48.00	2.82

AMERICAN NATIONAL INVESTMENTS INC
3515 HANCOCK STREET
SAN DIEGO, CA 92110

Wells Fargo

000000166

Date:10/02/2019

\$ ***2913.44

Two Thousand Nine Hundred Thirteen And 44/100 Dollars

PAY TO
THE
ORDER
OF
JENNIFER GRAF

VOID RED IMAGE
IMAGES WITH HEAT

Copy

COPY

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
CASE NO. 3:19-cv-01628-LAB-AHG**

SECURITIES AND EXCHANGE COMMISSION

vs.

*GINA CHAMPION-CAIN; ANI DEVELOPMENT, LLC;
DEFENDANTS*

and

*AMERICAN NATIONAL INVESTMENTS, INC.;
RELIEF DEFENDANT*

**TRADE CREDITOR PROOF OF CLAIM
FORM**



THIS SPACE RESERVED FOR ADMINISTRATIVE
USE ONLY

**PLEASE READ THE ACCOMPANYING LETTER - INSTRUCTIONS BEFORE
COMPLETING THIS FORM, THIS FORM MUST BE COMPLETED AND
RETURNED ON OR BEFORE DECEMBER 31, 2021**

NAME AND ADDRESS OF CLAIMANT:

**Jennifer Graf
2344 Greenbriar Dr Unit D
Chula Vista, CA 91915-1119**

The submission of a Trade Creditor and Tax Claim Form does not guarantee that you will receive a distribution of any amount. Each claim will be reviewed by the Receiver, and the Receiver will then make a recommendation to the United States District Court for the Southern District of California ("Court") to allow or disallow part or all of the claim. Claimants will receive notice and an opportunity to respond if the Receiver disagrees with the amount stated on their claim. For claims that are allowed, distributions will be made pursuant to a Court-approved distribution plan. The amount distributed will depend on the total amount of allowed claims, the total assets available for distribution, and the terms of the distribution plan.

In submitting your claim, please keep in mind that an allowed claim shall not include claims for interest, late fees, contract or other damages, legal fees incurred, contingent or unliquidated damages. Furthermore, only claims for actual services provided or materials delivered to the Receivership Entities prior to the receivership will be considered.

I am submitting a claim as an/a (must check only one box):

- ☐ Trade Creditor or Vendor
- ☒ Employee (if selected, must complete Section II and Section VII below)
- ☐ Tax Agency (State, Federal or local taxing authority)
- ☐ Other. If Other, provide explanation: _____

☐ Check this box ONLY if your current address has changed and, if so, please print updated address here:

Updated Address: _____

Telephone No. of Claimant: _____

Email Address of Claimant: _____

Tax I.D.: _____

Name as it should appear on distribution check:

Payee: Jennifer Grav

Payment Address (only IF different than address on file):

Payment Address: _____

DETAILED CHART ON FOLLOWING PAGE(s)

Please list and explain the amount of your claim and how the claim arose (use extra sheet if necessary) – YOU MUST ALSO PROVIDE COPIES OF ALL INVOICES, CONTRACTS, AND OTHER DOCUMENTATION SUPPORTING THIS CLAIM.

[illegible]

Supporting Documents: If you are a trade creditor, vendor, employee, taxing authority or other claimant, you are required to provide sufficient documentation supporting your claim; claims submitted without sufficient supporting documentation may be disallowed. Please send copies only and retain your original records; original materials provided to the Monitor will not be returned to you. Upon completion, be sure to keep a copy of your completed claim form and proof of mailing. Please send all documentation to: E3 Advisors, Attn: ANI Claims Process Administrator, 501 West Broadway, Suite 290, San Diego, CA 92101. If the Receiver has questions or needs further information, her office will contact you.

Date Stamped Copy: To receive an acknowledgement of the filing of your Claim Certification Form, please enclose a stamped, self-addressed envelope and an additional copy of this Claim Certification Form.

Signature: Sign and print the name and title, if any, of the claimant or other person authorized to file this claim (attach copy of power of attorney, death certificate, trust beneficiary, or other documents as needed). **YOU MUST PROVIDE AN ORIGINAL SIGNATURE.**

PLEASE NOTE that we cannot provide you with tax or legal advice relating to your claim. If you have concerns about the tax or legal implications of your claim, please contact an attorney or your tax advisor.

By Signing My/Our Name Below, I/We Acknowledge and Affirm that: I/we will supplement this Proof of Claim Form if any information given later becomes inaccurate or incomplete; I/we am/are a creditor of the Receivership Entities; I/we hereby affirm that the answers provided herein are truthful; and that I/we understand that this Proof of Claim is submitted under penalty of perjury.

Date: December 29, 2021
Signature: [Signature] Name: Jennifer Graf
Title (if any): Senior Director of Marketing

Signature: _____ Name: _____

Title (if any) _____

Signature: _____ Name: _____

Title (if any) _____

EXHIBIT O

EXHIBIT O

<p>UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF CALIFORNIA CASE NO. 3:19-cv-01628-LAB-AHG</p> <p>SECURITIES AND EXCHANGE COMMISSION vs. GINA CHAMPION-CAIN; ANI DEVELOPMENT, LLC; DEFENDANTS and AMERICAN NATIONAL INVESTMENTS, INC.; RELIEF DEFENDANT</p>	<p>TRADE CREDITOR PROOF OF CLAIM FORM</p> <p>RECEIVED DEC 30 2021 By <i>lh</i></p> <p>THIS SPACE RESERVED FOR ADMINISTRATIVE USE ONLY</p>
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**PLEASE READ THE ACCOMPANYING LETTER - INSTRUCTIONS BEFORE
COMPLETING THIS FORM, THIS FORM MUST BE COMPLETED AND
RETURNED ON OR BEFORE DECEMBER 31, 2021**

NAME AND ADDRESS OF CLAIMANT:

*MERIT FINANCIAL, INC.
2667 Cam Del Rio S., Ste 203-1
SAN DIEGO, CA 92108*

The submission of a Trade Creditor and Tax Claim Form does not guarantee that you will receive a distribution of any amount. Each claim will be reviewed by the Receiver, and the Receiver will then make a recommendation to the United States District Court for the Southern District of California ("Court") to allow or disallow part or all of the claim. Claimants will receive notice and an opportunity to respond if the Receiver disagrees with the amount stated on their claim. For claims that are allowed, distributions will be made pursuant to a Court-approved distribution plan. The amount distributed will depend on the total amount of allowed claims, the total assets available for distribution, and the terms of the distribution plan.

In submitting your claim, please keep in mind that an allowed claim shall not include claims for interest, late fees, contract or other damages, legal fees incurred, contingent or unliquidated damages. Furthermore, only claims for actual services provided or materials delivered to the Receivership Entities prior to the receivership will be considered.

I am submitting a claim as an/a (must check only one box):

- ☐ Trade Creditor or Vendor
- ☐ Employee (if selected, must complete Section II and Section VII below)
- ☐ Tax Agency (State, Federal or local taxing authority)
- ☒ Other. If Other, provide explanation: Manager of Investment Funds

Supporting Documents: If you are a trade creditor, vendor, employee, taxing authority or other claimant, you are required to provide sufficient documentation supporting your claim; claims submitted without sufficient supporting documentation may be disallowed. Please send copies only and retain your original records; original materials provided to the Monitor will not be returned to you. Upon completion, be sure to keep a copy of your completed claim form and proof of mailing. Please send all documentation to: E3 Advisors, Attn: ANI Claims Process Administrator, 501 West Broadway, Suite 290, San Diego, CA 92101. If the Receiver has questions or needs further information, her office will contact you.

Date Stamped Copy: To receive an acknowledgement of the filing of your Claim Certification Form, please enclose a stamped, self-addressed envelope and an additional copy of this Claim Certification Form.

Signature: Sign and print the name and title, if any, of the claimant or other person authorized to file this claim (attach copy of power of attorney, death certificate, trust beneficiary, or other documents as needed). **YOU MUST PROVIDE AN ORIGINAL SIGNATURE.**

PLEASE NOTE that we cannot provide you with tax or legal advice relating to your claim. If you have concerns about the tax or legal implications of your claim, please contact an attorney or your tax advisor.

By Signing My/Our Name Below, I/We Acknowledge and Affirm that: I/we will supplement this Proof of Claim Form if any information given later becomes inaccurate or incomplete; I/we am/are a creditor of the Receivership Entities; I/we hereby affirm that the answers provided herein are truthful; and that I/we understand that this Proof of Claim is submitted under penalty of perjury.

Date: Dec. 28, 2021

Signature: [Signature] Name: ILAN AWERBUCH

Title (if any) PRESIDENT
MERIT FINANCIAL, INC.

Signature: _____ Name: _____

Title (if any) _____

Signature: _____ Name: _____

Title (if any) _____

☒ Check this box ONLY if your current address has changed and, if so, please print updated address here:

Updated Address: _____

Telephone No. of Claimant: _____

Email Address of Claimant: _____

Tax I.D.: _____

Name as it should appear on distribution check:

Payee: Merit Financial, Inc.

Payment Address (only IF different than address on file):

Payment Address: _____

DETAILED CHART ON FOLLOWING PAGE(s)

December 28, 2021.

E3 Advisors
ANI claims process administrator
501 W. Broadway, Suite 290
San Diego, CA 92101

Dear Sir/Madam:

We are submitting this claim on behalf of Merit Financial Inc. ("Merit"), which was/is the comanager of the ANI License Fund I and the CA Opportunity License Fund, LLC. In these capacities, Merit is submitting two separate claims:

1. As per the first attached claim sheet and spreadsheet, please find listed the Unreimbursed 3rd party Expenses paid by Merit on behalf of the two Funds noted above.

2. As per the second attached claim sheet Merit is also submitting a contingent claim for and in connection with any claims asserted against Merit Financial, Inc., and for indemnification for all expenses, losses, liabilities and damages incurred by Merit as manager of the ANI License Fund I and the CA Opportunity License Fund, LLC.

Merit's contingent claim includes future attorneys' fees incurred by Merit, and any amounts awarded as damages, through judgment or settlement, in favor of the Receiver in connection with the lawsuit entitled Krista Freitag v. Merit Financial, et al. The basis for contractual liability for Merit's claim can be found in Sections 5.4 and 5.5 of the Operating Agreements for ANI License Fund I and CA Opportunity License Fund, LLC.

Sincerely,

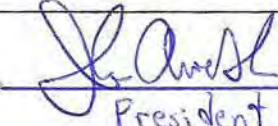


Ilan Awerbuch
President
Merit Financial, Inc.

Please list and explain the amount of your claim and how the claim arose (use extra sheet if necessary) – YOU MUST ALSO PROVIDE COPIES OF ALL INVOICES, CONTRACTS, AND OTHER DOCUMENTATION SUPPORTING THIS CLAIM.

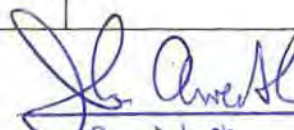
* CONTINGENT CLAIM - MERIT FINANCIAL, INC

Date of claim/service/delivery of goods/contract/tax	Amount of Claim (e.g., Invoice/Bill)	Description of claim/contract and/or service, goods or basis for tax claim
THIS CONTINGENT CLAIM ON BEHALF OF		
MERIT FINANCIAL, INC FOR AND IN CONNECTION		
TO ANY CLAIM ASSERTED AGAINST MERIT FINANCIAL,		
INC. AND FOR ALL EXPENSES, LOSSES, LIABILITIES AND		
DAMAGES INCURRED BY MERIT FINANCIAL, INC		
AS MANAGER OF THE ANI LICENSE FUND I, AND		
THE CA OPPORTUNITY LICENSE FUND, LLC.		
MERIT'S CONTINGENT CLAIM INCLUDES FUTURE ATTORNEYS' FEES		
INCURRED BY MERIT AND ANY AMOUNTS AWARDED AS DAMAGES, THROUGH		
JUDGEMENT OR SETTLEMENT, IN FAVOR OF THE RECEIVER IN CONNECTION		
WITH THE LAWSUIT ENTITLED KRISTA FREITAG V. MERIT FINANCIAL, et al.		
THE BASIS FOR CONTRACTUAL LIABILITY FOR MERIT'S CLAIM CAN BE FOUND		
IN SECTIONS 5.4 and 5.5 OF THE OPERATING AGREEMENTS FOR		
ANI LICENSE FUND I AND CA OPPORTUNITY LICENSE FUND, LLC		

 12/28/2021
President
Merit Financial, Inc.

Please list and explain the amount of your claim and how the claim arose (use extra sheet if necessary) – YOU MUST ALSO PROVIDE COPIES OF ALL INVOICES, CONTRACTS, AND OTHER DOCUMENTATION SUPPORTING THIS CLAIM.

Date of claim/service/delivery of goods/contract/tax	Amount of Claim (e.g., Invoice/Bill)	Description of claim/contract and/or service, goods or basis for tax claim
		Please See Attached Spreadsheet
		"Merit Unreimbursed Expenses Paid on Behalf of CA Fund/ANI Fund"
		These are 3 RD Party Expenses Advanced/Paid by
		Merit Financial, Inc. on behalf of The
		ANI License Fund I and
		CA Opportunity License Fund, LLC as per
		Their Operating Agreements

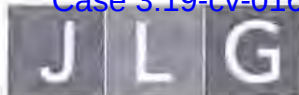
 12/28/2021
President
Merit Financial, Inc.

Merit Financial, Inc.
Unreimbursed Expenses
Paid on Behalf of CA Fund/ANI Fund

Number	Date	Vender	Paid By	Invoice Number	For	Amount	Yearly Totals
1							
2							
3							
3A	10/31/2018	Jacko Law Group	credit card	22759	Legal: Audit/Due Diligence for Both Funds	\$29.00	
3B	11/30/2028	Jacko Law Group	credit card	22926	Legal: Audit/Due Diligence for Both Funds	\$402.00	
3C	12/31/2018	Jacko Law Group	credit card	23009	Legal: Audit/Due Diligence for Both Funds	\$3,010.25	
					2018 Total		\$3,441.25
3D	1/31/2019	Law Offices of Randolph C. Houts	check	303	Legal: Audit/Due Diligence for Both Funds	\$372.00	
4	2/15/2019	Kirby & McGuinn APC	Check	26553-DTK	Legal: Audit/Due Diligence for Both Funds	\$999.00	
4A	2/2/2019	Law Offices of Randolph C. Houts	check	284	Legal: Audit/Due Diligence for Both Funds	\$174.00	
4B	2/28/2019	Jacko Law Group	credit card	23346	Legal: Audit/Due Diligence for Both Funds	\$2,065.00	
4C	3/29/2019	Law Offices of Randolph C. Houts	check	371	Legal: Audit/Due Diligence for Both Funds	\$3,150.98	
5	4/3/2019	Jacko Law Group	Check	23246	Legal: Audit/Due Diligence for Both Funds	\$657.33	
6	4/4/2019	Law Offices of Randolph C. Houts	Check	340	Legal: Audit/Due Diligence for Both Funds	\$2,522.95	
7							
8	4/16/2019	Jacko Law Group	Check	23541	Legal: Audit/Due Diligence for Both Funds	\$1,433.34	
9	5/9/2019	Jacko Law Group	Check	23713	Legal: Audit/Due Diligence for Both Funds	\$794.70	
10	5/9/2019	Law Offices of Randolph C. Houts	Check	384	Legal: Audit/Due Diligence for Both Funds	\$429.00	
11	5/23/2019	QuickBooks	Credit Card		Remote Access for external Fund accountants	\$120.00	
12	6/12/2019	Law Offices of Randolph C. Houts	Check	400	Legal: Audit/Due Diligence for Both Funds	\$4,140.56	
13	6/12/2019	Jacko Law Group	Check	23951	Legal: Audit/Due Diligence for Both Funds	\$1,333.33	
14	6/23/2019	QuickBooks	Credit Card		Remote Access for external Fund accountants	\$120.00	
15	6/26/2019	Law Offices of Randolph C. Houts	Check	421	Legal: Audit/Due Diligence for Both Funds	\$528.00	
15A	6/30/2019	Jacko Law Group	credit card	24114	Legal: Audit/Due Diligence for Both Funds	\$100.00	
16	7/23/2019	QuickBooks	Credit Card		Remote Access for external Fund accountants	\$120.00	
17	7/26/2019	Geraci Law Firm (Kim)	Credit Card	9741669	Legal: Demand for Documents & Info from ANI & CTI	\$1,410.00	
18	8/12/2019	Law Offices of Randolph C. Houts	Check	430	Legal: Audit/Due Diligence for Both Funds	\$396.00	
19	8/23/2019	QuickBooks	Credit Card		Remote Access for external Fund accountants	\$140.00	
20	9/4/2019	Geraci Law Firm (Kim)	Wire	9743278	Legal: Demand for Documents & Info from ANI & CTI	\$3,835.00	
20A	9/12/2019	Law Offices of Randolph C. Houts	check	465	Legal: Audit/Due Diligence for Both Funds	\$924.00	
21	9/23/2019	QuickBooks	Credit Card		Remote Access for external Fund accountants	\$140.00	
22	9/27/2019	Applied Business Software	Credit Card	55291	TMO: Investor reporting monthly fee	\$305.61	
23	10/1/2019	QuickBooks	Credit Card		Remote Access for external Fund accountants	\$140.00	
24	10/2/2019	Geraci Law Firm	Wire	9744707	Legal: Representing Merit on behalf of Fund investors	\$10,717.50	
25	10/4/2019	Geraci Law Firm (Kim)	Wire	9744727	Legal: Demand for Documents & Info from ANI & CTI	\$1,325.00	
26	10/10/2019	Spiegel Accountancy Corp.	Check	15511	CA Fund 2018 Tax Return	\$5,146.25	
27	10/23/2019	QuickBooks	Credit Card		Remote Access for external Fund accountants	\$140.00	
28	10/30/2019	Geraci Law Firm	Wire	9745060	Legal: Representing Merit on behalf of Fund investors	\$11,659.50	
29	10/31/2019	Geraci Law Firm (Kim)	Wire	9745092	Legal: Representing Merit on behalf of Fund investors	\$236.00	
30	11/27/2019	Geraci Law Firm	Wire	9745370	Legal: Representing Merit on behalf of Fund investors	\$22,522.00	
31	12/5/2019	Geraci Law Firm(Kim)	Wire	9745531	Legal: Representing Merit on behalf of Fund investors	\$216.50	
32	12/30/2019	Geraci Law Firm	Wire	9745747	Legal: Representing Merit on behalf of Fund investors	\$5,801.50	
					2019 Total		\$84,115.05
33	1/25/2020	Geraci Law Firm	ACH	9746344	Legal: Representing Merit on behalf of Fund investors	\$4,232.50	
34	2/25/2020	Geraci Law Firm	ACH	9746503	Legal: Representing Merit on behalf of Fund investors	\$4,235.00	
35	5/25/2020	Geraci Law Firm	ACH	9747772	Legal: Representing Merit on behalf of Fund investors	\$1,035.00	
36	6/25/2020	Geraci Law Firm	ACH	9748253	Legal: Representing Merit on behalf of Fund investors	\$1,845.00	
37	7/25/2020	Geraci Law Firm	ACH	9748567	Legal: Representing Merit on behalf of Fund investors	\$2,592.00	

Merit Financial, Inc.
 Unreimbursed Expenses
 Paid on Behalf of CA Fund/ANI Fund

38	8/25/2020	Geraci Law Firm	ACH	9748888	Legal: Representing Merit on behalf of Fund investors	\$7,859.97	
39	9/25/2020	Geraci Law Firm	ACH	9749253	Legal: Representing Merit in subpoena responses	\$2,831.60	
40	10/25/2020	Geraci Law Firm	ACH	9749585	Legal: Representing Merit in subpoena responses	\$2,842.84	
41	11/25/2020	Geraci Law Firm	ACH	9749985	Legal: Representing Merit in subpoena responses	\$7,200.00	
42	12/25/2020	Geraci Law Firm	ACH	9750348	Legal: Representing Merit in subpoena responses	\$16,162.50	
					2020 Total		\$50,836.41
43	1/25/2021	Geraci Law Firm	Credit Card	9750735	Legal: Representing Merit in subpoena responses	\$9,635.50	
44	2/19/2021	Now Discovery	Credit Card	11894	Legal: Subpoena Response-Sorting Emails	\$323.00	
45	2/25/2021	Geraci Law Firm	Credit Card	9751151	Legal: Representing Merit in subpoena responses	\$6,917.00	
45A	2/25/2021	Geraci Law Firm	Credit Card	9751311	Legal: Representing Merit in subpoena responses	\$6,150.00	
46	3/15/2021	Now Discovery	Credit Card	11884	Legal: Subpoena Response-Sorting Emails	\$332.00	
47	3/15/2021	Now Discovery	Credit Card	11887	Legal: Subpoena Response-Sorting Emails	\$332.00	
48	3/25/2021	Geraci Law Firm	Credit Card	9751784	Legal: Representing Merit in subpoena responses	\$3,547.50	
49	4/26/2021	Geraci Law Firm	Credit Card	9752281	Legal: Representing Merit in subpoena responses	\$5,055.00	
50	5/25/2021	Geraci Law Firm	Credit Card	9752809	Legal: Representing Merit in subpoena responses	\$9,947.50	
51	6/25/2021	Geraci Law Firm	Credit Card	9753134	Legal: Representing Merit in subpoena responses	\$6,487.50	
52	7/25/2021	Geraci Law Firm	Credit Card	9753782	Legal: Representing Merit in subpoena responses	\$4,322.50	
53	8/25/2021	Geraci Law Firm	Credit Card	9754264	Legal: Representing Merit in subpoena responses	\$5,307.50	
54	9/25/2021	Geraci Law Firm	Credit Card	9754742	Legal: Representing Merit in subpoena responses	\$6,970.00	
55	9/28/2021	Geraci Law Firm	Credit Card	9754675	Legal: Representing Merit in Freitag v Merit Financial	\$1,290.00	
55A	10/27/2021	Geraci Law Firm	Credit Card	9755246	Legal: Representing Merit in Freitag v Merit Financial	\$7,822.50	
56	10/25/2021	Geraci Law Firm	Credit Card	9755295	Legal: Representing Merit in Freitag v Merit Financial	\$12,302.50	
57	11/30/2021	Geraci Law Firm	Credit Card	9755762	Legal: Representing Merit in Freitag v Merit Financial	\$6,615.00	
58	12/25/2021	Geraci Law Firm	Credit Card	9756433	Legal: Representing Merit in Freitag v Merit Financial	\$23,037.50	
					2021 Year-to-Date Total		\$116,394.50
					Total to Date	\$254,787.21	\$254,787.21



JACKO LAW GROUP, PC

Invoice 3A

Bill To:

Merit Financial, Inc.
 Attn: Ilan Awerbuch
 2667 Camino del Rio S, Ste 203-1
 San Diego, CA 92108
 USA

Invoice #: 22759 ✓
 Invoice Date: 10/31/2018
 Client No: J0680.01
 Due Date: Due on receipt
 Tax ID:

Date	Description	Hours	Rate	Amount
10/26/2018	Credit Card Processing Fee			\$29.00
SUBTOTAL:				\$29.00
	Total Professional Fees and Costs			\$29.00
10/31/2018	Withdrawal from retainer account			(\$29.00)
	Total payments and adjustments			(\$29.00)
	Amount to Replenish to Retainer Account			\$29.00
	Balance due			\$29.00
Client Retainer Transactions				
	Previous balance of Retainer Account			\$0.00
10/26/2018	Deposit to retainer account (Ilan Awerbuch). Check No. VISA			\$1,000.00
10/31/2018	Withdrawal from retainer account			(\$29.00)
	New balance of Retainer Account			\$971.00



JACKO LAW GROUP, PC

Invoice 3B**Bill To:**

Merit Financial, Inc.
 Attn: Ilan Awerbuch
 2667 Camino del Rio S, Ste 203-1
 San Diego, CA 92108
 USA

Invoice #: 22926 ✓
 Invoice Date: 11/30/2018
 Client No: J0680.01
 Due Date: Due on receipt
 Tax ID:

Date	Description	Hours	Rate	Amount
11/20/2018	RB Reviewed materials in preparation of teleconference with IA	1.12	360/hr	\$402.00
SUBTOTAL:				1.12 \$402.00
Total Professional Fees and Costs				\$402.00
11/30/2018	Withdrawal from retainer account			(\$402.00)
Total payments and adjustments				(\$402.00)
Amount to Replenish to Retainer Account				\$431.00
Balance due				\$431.00
Client Retainer Transactions				
Previous balance of Retainer Account				\$971.00
11/30/2018	Withdrawal from retainer account			(\$402.00)
New balance of Retainer Account				\$569.00

1350 Columbia Street, Suite 300
 San Diego, CA 92101
 Tel: 619-298-2880 Fax: 619-298-2882
 www.jackolg.com



Invoice

3C

Bill To:

Merit Financial, Inc.
 Attn: Ilan Awerbuch
 2667 Camino del Rio S, Ste 203-1
 San Diego, CA 92108
 USA

Invoice #: 23009
 Invoice Date: 12/31/2018
 Client No: J0680.01
 Due Date: Due on receipt
 Tax ID:

Date	Description	Hours	Rate	Amount
12/3/2018	RB Corresponded via email with IA re. upcoming teleconference	0.05	360/hr	\$18.00
12/3/2018	RB Corresponded via email with RZ re. upcoming teleconference; reviewed documents in preparation of same	0.63	360/hr	\$228.00
12/4/2018	RB Communicated via email with IA re. upcoming meeting	0.05	360/hr	\$18.00
12/5/2018	RB Communicated via email with client re. upcoming meeting	0.05	360/hr	\$18.00
12/6/2018	RB Prepared for and attended onsite meeting with client	3.52	360/hr	\$1,266.00
12/7/2018	RB Began reviewing documents from client re. fund structure and use of finder	0.75	360/hr	\$270.00
12/12/2018	RB Reviewed documents and teleconference with RH re. status	0.57	360/hr	\$204.00
12/13/2018	RB Began drafting revisions to PPM to incorporate provisions discussed with client	0.73	360/hr	\$264.00
12/17/2018	MJ Debrief with RV re. referral fee arrangement	0.05	495/hr	\$24.75
12/19/2018	RB Met with MJ to discuss use of finder	0.33	360/hr	\$120.00
12/19/2018	MJ Conference with RB re. referral fee arrangement	0.3	495/hr	\$148.50
Total Professional Fees and Costs				\$2,579.25
12/31/2018	Withdrawal from retainer account			(\$569.00)
Total payments and adjustments				(\$569.00)
Amount to Replenish to Retainer Account				\$1,000.00
Balance due				\$3,010.25
Client Retainer Transactions				
Previous balance of Retainer Account				\$569.00
12/31/2018	Withdrawal from retainer account			(\$569.00)
New balance of Retainer Account				\$0.00

1350 Columbia Street, Suite 300
 San Diego, CA 92101
 Tel: 619-298-2880 Fax: 619-298-2882
 www.jackolg.com

2/1/2019

Transaction Receipt

Merchant: JACKO LAW GROUP PC

1350 Columbia Street
Unit 300
SAN DIEGO, CA 92101
US

6192982880

Order Information**Description:****Order Number:****P.O. Number:****Customer ID:****Invoice Number:** 23009**Billing Information**

92110

Shipping Information**Shipping:** 0.00**Tax:** 0.00**Total: USD 3,010.25****Payment Information**

Date/Time: 01-Feb-2019 15:59:52 PST
Transaction ID: 61536939092
Transaction Type: Authorization w/ Auto Capture
Transaction Status: Captured/Pending Settlement
Authorization Code: 08569G
Payment Method: Visa XXXX9092



Law Offices of Randolph C. Houts
771 Jamacha Road #527
El Cajon, CA 92019

January 31, 2019

Invoice #: 303

CA Opportunity License Fund LLC
Merit Financial, Inc.

Date	Matter	Description	Hours	Rate	Tax	Total
		Previous Balance				\$0.00
12/31/2018		payment from retainer Thanks, payment deducted from \$1000 retainer. Retainer balance is \$826.				(\$174.00)
12/18/2018	CA Opportunity Lic. Fund LLC	communications Phone conference with atty Boeche re initial consultations with Ilan regarding audit memo issues.	0.60	\$290.00	\$0.00	\$174.00
1/24/2019	CA Opportunity Lic. Fund LLC	review and analysis Review of PPM and related documentation re profit accounting issues. [time split 50/50]	0.20	\$330.00	\$0.00	\$66.00
1/22/2019	Securities Issues	Meeting Meeting with attorney Boeche regarding recent email exchange between client principals and reconciliation of ANI License Fund I profits, related issues.	0.40	\$330.00	\$0.00	\$132.00
1/31/2019		payment from trust ck no 318; remaining trust balance is \$628.00.				(\$198.00)
		Amount Due	1.20		\$0.00	\$0.00

372.00

Thank You! - Balance is due upon receipt
1.5% interest per month on unpaid balances

4

Kirby & McGuinn APC
 707 Broadway, Suite 1750
 San Diego, CA 92101
 619-685-4000 Fax 619-685-4004
 Federal ID No.

Merit Financial, Inc
 2546 Deerpark Drive
 San Diego, CA 92110

Billed Through 12/31/18
 Account No. MFI001-1
 Invoice No. 26553 DTK ✓

ATTN: Ilan Awerbuch

RE: CA OPPORTUNITY LICENSE FUND

PROFESSIONAL SERVICES RENDERED		Hours	Amount
10/18/18	TELEPHONE CALL FROM CLIENT RE JOINT REPRESENTATION PROPOSAL (C2)	DTK 0.50	220.00
10/18/18	REVIEW JOINT REPRESENTATION LETTERS, MAKE NOTES (C2)	DTK 0.40	176.00
10/21/18	REVIEW DOCUMENTS FORWARDED BY CLIENT, BEGIN DRAFT LETTER (MERIT FINL)	DTK 1.00	440.00
10/21/18	EMAILS WITH CLIENT RE ADDITIONAL INFORMATION NEEDED (MERIT FINL)	DTK 0.10	44.00
10/22/18	REVIEW EMAILS AND MEMORANDUM FORWARDED BY CLIENT (MERIT FINL)	DTK 0.30	132.00
10/29/18	TELEPHONE CONFERENCE WITH CLIENT RE JOINT REPRESENTATION, DECISION, ETC. (MERIT FINL)	DTK 0.60	264.00
12/31/18	DISCOUNT FOR PAL	DTK	-277.00
Total Fees			<u>\$999.00</u>

BILLING SUMMARY

Timekeeper	Effective Rate	Hours	Amount
Dean T. Kirby, Jr.	344.48	2.90	\$999.00
Total			<u>2.90 \$999.00</u>
Total Charges For This Bill			<u>\$999.00</u>
Balance Forward (+)			\$0.00

PAYMENTS RECEIVED AFTER MONTH END WILL APPEAR ON NEXT STATEMENT. 10% INTEREST IS CHARGED ON PAST DUE BALANCES. YOUR PROMPT PAYMENT IS APPRECIATED.

MFI001-1

Invoice No:26553

Page:2

Payments received since last bill (-) \$0.00

Interest charged on past due balance (+) \$0.00

Total Balance Now Due

\$999.00

* Paid chk # 1274 2/15/19 *



4A

January 02, 2019

Invoice #: 284

A Opportunity License Fund LLC

Herit Financial, Inc.

Date	Matter	Description	Hours	Rate	Tax	Total
		Previous Balance				\$0.00
2/18/2	CA Opportun Lic. Fund	communications Phone conference with atty Roache re	0.60	\$290.00	\$0.00	\$174.00
2/31/2		payment from retainer				(\$174.00)
		Amount Due	0.60		\$0.00	\$0.00

Thank You! - Balance is due upon receipt

Page 1



JACKO LAW GROUP, PC

Invoice 48

Bill To:

Merit Financial, Inc.
 Attn: Ilan Awerbuch
 2667 Camino del Rio S, Ste 203-1
 San Diego, CA 92108
 USA

Invoice #: 23346 ✓
 Invoice Date: 2/28/2019
 Client No: J0680.01
 Due Date: Due on receipt
 Tax ID:

Date	Description	Hours	Rate	Amount
2/4/2019	RB Communicated via email with client re. upcoming teleconference	0.08	420/hr	\$35.00
2/5/2019	RB Prepared for and attended teleconference with client re. multiple inquiries	1.42	420/hr	\$595.00
2/8/2019	RB Teleconference with RH re. client matters	0.42	420/hr	\$175.00
2/14/2019	RB Prepared for onsite meeting; coordinated cancellation and communicated via email with client on same	0.5	420/hr	\$210.00
2/18/2019	RB Teleconference with IA re. multiple inquiries	0.33	420/hr	\$140.00
2/19/2019	RB Communicated via email re. upcoming teleconference	0.17	420/hr	\$70.00
2/21/2019	RB Prepared for and attended onsite meeting; teleconference with RH on same	1.75	420/hr	\$735.00
2/22/2019	RB Prepared for and attended teleconference with RH re. multiple inquiries	0.25	420/hr	\$105.00
SUBTOTAL:			4.92	\$2,065.00
Total Professional Fees and Costs				\$2,065.00
2/28/2019	Withdrawal from retainer account			(\$1,000.00)
Total payments and adjustments				(\$1,000.00)
Amount to Replenish to Retainer Account				\$1,000.00
Balance due				\$2,065.00
Client Retainer Transactions				
Previous balance of Retainer Account				\$342.67
2/20/2019	Deposit to retainer account (Ilan Awerbuch). Check No. VISA			\$657.33
2/28/2019	Withdrawal from retainer account			(\$1,000.00)
New balance of Retainer Account				\$0.00

1350 Columbia Street, Suite 300
 San Diego, CA 92101
 Tel: 619-298-2880 Fax: 619-298-2882
 www.jackolg.com



Law Offices of Randolph C. Houts
771 Jamacha Road #527
El Cajon, CA 92019

March 29, 2019
 Invoice #: 371

CA Opportunity License Fund LLC
 Merit Financial, Inc.

Date	Matter	Description	Hours	Rate	Tax	Total
		Previous Balance				\$0.00
2/6/2019		communications Communications with ANI personnel and Merit personnel re upcoming meetings, related issues.	0.40	\$330.00	\$0.00	\$132.00
2/8/2019	CA Opportunity Lic. Fund LLC	communications Phone conference with atty Boeche re our separate meetings with ANI and Merit personnel re audit/reconciliation re spreadsheet and accounting data; email to future meeting participants re same. [50/50 split with ANI]	0.40	\$330.00	\$0.00	\$132.00
2/13/2019	CA Opportunity Lic. Fund LLC	Communications Communications with atty Boeche, Lorraine at Merit, and ANI personnel re upcoming meeting; miscellaneous meeting preparations (1/2 of time).	0.60	\$330.00	\$0.00	\$198.00
2/13/2019	CA Opportunity Lic. Fund LLC	communications Phone conference with atty Boeche re last minute meeting items; review agenda email from Lorraine; reply to email. [1/2 time]	0.20	\$330.00	\$0.00	\$66.00
2/13/2019	CA Opportunity Lic. Fund LLC	communications Phone conference with CPA Driscoll regarding issues/plan for ANI/Merit reconciliation meeting. [1/2 of time]	0.20	\$330.00	\$0.00	\$66.00
2/21/2019	CA Opportunity Lic. Fund LLC	communications Pre-meeting phone conference with atty Boeche. [1/2 time]	0.20	\$330.00	\$0.00	\$66.00
2/21/2019	CA Opportunity Lic. Fund LLC	meeting Meeting with atty Boeche, Merit, and ANI representatives to status and schedule out reconciliation tasks and discuss related issues; brief post meeting with atty Boeche re same (includes travel time) [1/2 actual time]	1.80	\$330.00	\$0.00	\$594.00
2/22/2019	CA Opportunity Lic. Fund LLC	document review and analysis; communications Review and analysis of ANI License Fund I Divisional Op. Agmt.; email to atty. Boeche re same. [1/2 time]	0.60	\$330.00	\$0.00	\$198.00
2/28/2019	CA Opportunity Lic. Fund LLC	communications Monitor email traffic involving ANI and Merit reconciliation. [1/2 of time]	0.20	\$330.00	\$0.00	\$66.00

Date	Matter	Description	Hours	Rate	Tax	Total
3/20/2019	CA Opportunity Lic. Fund LLC	communications Detailed follow up email to Lorraine/Ilan regarding gathering/organizing tax reporting data for fund investors.	0.50	\$330.00	\$0.00	\$165.00
3/20/2019	CA Opportunity Lic. Fund LLC	Communications Phone conference with Ilan regarding his concern about delay email from Cris and related issues about the reconciliation and tax reporting to investors, seeing if I can apply some haste to things, etc. Email to Lorraine whether she can produce/organize fund tax reporting data for me.	1.45	\$330.00	\$0.00	\$477.95
3/21/2019	Securities Issues	communications Email to attorney Boeche regarding communications with Ilan on reconciliation delays and steps to move things along, as well as forwarding EDGAR codes and Doss documentation.	0.20	\$330.00	\$0.00	\$66.00
3/21/2019		communications Phone call with Mike Driscoll re reconciliation delays, his appraisal of status and factors that may be contributing, resource issues that may need to be addressed. [1/2 of time].	0.30	\$330.00	\$0.00	\$99.00
3/21/2019	Securities Issues	communications Phone conference with atty Boeche regarding reconciliation and securities issues and disussions with client reps regarding delay, as well as our general timeline adjustment on the reconciliation and securities compliance work on CA Opportunity to end of April as well as related issues re upcoming meeting with Gina. [1/2 of actual time].	0.30	\$330.00	\$0.00	\$99.00
3/21/2019	Securities Issues	communications Phone conference with Ilan to recap urgency and resource communications with Mr. Driscoll, ANI Reps and atty Boeche.	0.30	\$330.00	\$0.00	\$99.00
3/22/2019	Securities Issues	communications Email exchange with Lorraine regarding tax reporting sampling and records she is compiling. [1/2 of time]	0.20	\$330.00	\$0.00	\$66.00
3/25/2019		communications Review and reply to Ilan's email regarding "sampling" approach to reporting.	0.20	\$330.00	\$0.00	\$66.00

Date	Matter	Description	Hours	Rate	Tax	Total
3/26/2019	CA Opportunity Lic. Fund LLC	Communications Phone conference with Ilan regarding upcoming meeting between Mr. Driscoll and Cris regarding reconciliation and issues surrounding prior years accounting and reporting; what progress is being made, and how we're going to monitor progress and encourage the use of Regina as bookkeeper temp., how the history of efforts to achieve compliance dovetail with the amount of pressure and patience we are applying to get the reconciliation completed, etc. Review and reply to email from Ilan regarding request for records (this was also discussed in the phone conference).	1.50	\$330.00	\$0.00	\$495.00
						<i>3,150.98</i>
3/29/2019		payment Transfer from Trust \$628.00; trust balance now zero.				(\$628.00)
		Amount Due	9.55		\$0.00	\$2,522.95

Thank You! - Balance is due upon receipt
1.5% interest per month on unpaid balances



JACKO LAW GROUP, PC

Invoice

5

Bill To:

Merit Financial, Inc.
 Attn: Ilan Awerbuch
 2667 Camino del Rio S, Ste 203-1
 San Diego, CA 92108
 USA

Invoice #: 23246 ✓
 Invoice Date: 1/31/2019
 Client No: J0680.01
 Due Date: Due on receipt
 Tax ID:

Date	Description	Hours	Rate	Amount
1/7/2019	RC Discussed fund considerations with RB	0.12	440/hr	\$51.33
1/17/2019	RB Communicated via email with RH re. fund compliance matters; reviewed materials related to same	0.45	360/hr	\$162.00
1/18/2019	RB Reviewed communications between managers and discussed same with RH; prepared for upcoming meeting on same	0.65	360/hr	\$234.00
1/22/2019	RB Prepared for and attended meeting with RH re. fund compliance and additional matters	0.58	360/hr	\$210.00
SUBTOTAL:			1.80	\$657.33
Total Professional Fees and Costs				\$657.33
Previous Balance				\$2,010.25
Accounts receivable transactions				
2/1/2019	Withdrawal from retainer account			(\$2,010.25)
1/31/2019	Withdrawal from retainer account			(\$657.33)
Total payments and adjustments				(\$2,667.58)
Amount to Replenish to Retainer Account				\$657.33
Balance due				\$657.33
Client Retainer Transactions				
Previous balance of Retainer Account				\$0.00
2/1/2019	Withdrawal from retainer account			(\$2,010.25)
2/1/2019	Deposit to retainer account (Merit Financial). Check No. VISA			\$3,010.25
1/31/2019	Withdrawal from retainer account			(\$657.33)
New balance of Retainer Account				\$342.67

1350 Columbia Street, Suite 300
 San Diego, CA 92101
 Tel: 619-298-2880 Fax: 619-298-2882
 www.jackolgo.com

2/20/2019

Transaction Receipt

Merchant: JACKO LAW GROUP PC

1350 Columbia Street
Unit 300
SAN DIEGO, CA 92101
US

6192982880

Order Information

Description:

Order Number:

Customer ID:

P.O. Number:

Invoice Number: 23246

Billing Information

Ilan Awerbuch
Merit Financial
92110

Shipping Information

Shipping: 0.00

Tax: 0.00

Total: USD 657.33**Transaction Information**

Date/Time: 20-Feb-2019 11:55:43 PST
Transaction ID: 61571085428
Transaction Type: Authorization w/ Auto Capture
Transaction Status: Captured/Pending Settlement
Authorization Code: 06302G
Payment Method: Visa XXXX9092



Law Offices of Randolph C. Houts
771 Jamacha Road #527
El Cajon, CA 92019

March 29, 2019
 Invoice #: 340

CA Opportunity License Fund LLC
 Merit Financial, Inc.

Date	Matter	Description	Hours	Rate	Tax	Total
		Previous Balance				\$1,518.00
3/20/2019	CA Opportunity Lic. Fund LLC	communications Detailed follow up email to Lorraine/Ilan regarding gathering/organizing tax reporting data for fund investors.	0.50	\$330.00	\$0.00	\$165.00
3/20/2019	CA Opportunity Lic. Fund LLC	Communications Phone conference with Ilan regarding his concern about delay email from Cris and related issues about the reconciliation and tax reporting to investors, seeing if I can apply some haste to things, etc. Email to Lorraine whether she can produce/organize fund tax reporting data for me.	1.45	\$330.00	\$0.00	\$477.95
3/21/2019	Securities Issues	communications Email to attorney Boeche regarding communications with Ilan on reconciliation delays and steps to move things along, as well as forwarding EDGAR codes and Doss documentation.	0.20	\$330.00	\$0.00	\$66.00
3/21/2019		communications Phone call with Mike Driscoll re reconciliation delays, his appraisal of status and factors that may be contributing, resource issues that may need to be addressed. [1/2 of time].	0.30	\$330.00	\$0.00	\$99.00
3/21/2019	Securities Issues	communications Phone conference with atty Boeche regarding reconciliation and securities issues and disussions with client reps regarding delay, as well as our general timeline adjustment on the reconciliation and securities compliance work on CA Opportunity to end of April as well as related issues re upcoming meeting with Gina. [1/2 of actual time].	0.30	\$330.00	\$0.00	\$99.00
3/21/2019	Securities Issues	communications Phone conference with Ilan to recap urgency and resource communications with Mr. Driscoll, ANI Reps and atty Boeche.	0.30	\$330.00	\$0.00	\$99.00

Date	Matter	Description	Hours	Rate	Tax	Total
3/22/2019	Securities Issues	communications Email exchange with Lorraine regarding tax reporting sampling and records she is compiling. [1/2 of time]	0.20	\$330.00	\$0.00	\$66.00
3/25/2019		communications Review and reply to Ilan's email regarding "sampling" approach to reporting.	0.20	\$330.00	\$0.00	\$66.00
3/26/2019	CA Opportunity Lic. Fund LLC	Communications Phone conference with Ilan regarding upcoming meeting between Mr. Driscoll and Cris regarding reconciliation and issues surrounding prior years accounting and reporting; what progress is being made, and how we're going to monitor progress and encourage the use of Regina as bookkeeper temp., how the history of efforts to achieve compliance dovetail with the amount of pressure and patience we are applying to get the reconciliation completed, etc. Review and reply to email from Ilan regarding request for records (this was also discussed in the phone conference).	1.50	\$330.00	\$0.00	\$495.00
3/29/2019		payment Transfer from Trust \$628.00; trust balance now zero.				(\$628.00)
		Amount Due	4.95		\$0.00	\$2,522.95

Pd chk # 1277
4/4/19

Thank You! - Balance is due upon receipt
1.5% interest per month on unpaid balances



JACKO LAW GROUP, PC

Invoice 8

Paid Check #1279 on 4/16/19

Bill To:

Merit Financial, Inc.
 Attn: Ilan Awerbuch
 2667 Camino del Rio S, Ste 203-1
 San Diego, CA 92108
 USA

Invoice #: 23541 ✓
 Invoice Date: 3/31/2019
 Client No: J0680.01
 Due Date: Due on receipt
 Tax ID:

Date	Description	Hours	Rate	Amount
3/21/2019	RB Teleconference with RH re. fund status matters and additional inquiries	0.67	400/hr	\$266.67
3/25/2019	RB Communicated via email and subsequent teleconference with RH re. fund matters items related thereto	0.42	400/hr	\$166.67
SUBTOTAL:			1.09	\$433.34
Total Professional Fees and Costs				\$433.34
Previous Balance				\$1,065.00
Accounts receivable transactions				
2/28/2019	Credit - error in RB billing rate			(\$98.34)
4/3/2019	Payment - Thank You (Ilan Awerbuch)			(\$966.66)
Total payments and adjustments				(\$1,065.00)
Amount to Replenish to Retainer Account				\$1,000.00
Balance due				\$1,433.34

1350 Columbia Street, Suite 300
 San Diego, CA 92101
 Tel: 619-298-2880 Fax: 619-298-2882
 www.jackolg.com



JACKO LAW GROUP, PC

Invoice

Bill To:

Merit Financial, Inc.
 Attn: Ilan Awerbuch
 2667 Camino del Rio S, Ste 203-1
 San Diego, CA 92108
 USA

Invoice #: 23713 ✓
 Invoice Date: 4/30/2019
 Client No: J0680.01
 Due Date: Due on receipt
 Tax ID:

Date	Description	Hours	Rate	Amount
4/11/2019	RB Began drafting revisions to PPM	0.92	400/hr	\$366.67
4/12/2019	RB Continued drafting revisions to PPM	0.67	400/hr	\$266.67
4/17/2019	RB Prepared for and attended teleconference with RH re. fund matters and additional inquiries	0.33	400/hr	\$133.33
4/3/2019	Credit Card Processing Fee			\$28.03
SUBTOTAL:			1.92	\$794.70
Total Professional Fees and Costs				\$794.70
Previous Balance				\$433.34
Accounts receivable transactions				
4/18/2019	Withdrawal from retainer account			(\$433.34)
4/30/2019	Withdrawal from retainer account			(\$794.70)
Total payments and adjustments				(\$1,228.04)
Amount to Replenish to Retainer Account				\$794.70
Balance due				\$794.70
Client Retainer Transactions				
Previous balance of Retainer Account				\$0.00
4/18/2019	Withdrawal from retainer account			(\$433.34)
4/18/2019	Deposit to retainer account (Merit Financial). Check No. 1279			\$1,433.34
4/30/2019	Withdrawal from retainer account			(\$794.70)
New balance of Retainer Account				\$205.30

1350 Columbia Street, Suite 300
 San Diego, CA 92101
 Tel: 619-298-2880 Fax: 619-298-2882
 www.jackolg.com



Law Offices of Randolph C. Houts
771 Jamacha Road #527
El Cajon, CA 92019

May 03, 2019

Invoice #: 384

CA Opportunity License Fund LLC
 Merit Financial, Inc.

Date	Matter	Description	Hours	Rate	Tax	Total
		Previous Balance				\$2,522.95
4/10/2019	CA Opportunity Lic. Fund LLC	payment Merit ck. no. 1277, thanks!				(\$2,522.95)
4/16/2019	CA Opportunity Lic. Fund LLC	communications Review 2 emails and investor letter re delayed reporting, etc. from Ilan (regarding reconciliation); phone conference with Cris at ANI re his apparent completion of 2018 accounting adjustments for reconciliation and estimates of time to reconciliation and reporting completion. [one-half of time]	0.40	\$330.00	\$0.00	\$132.00
4/17/2019	CA Opportunity Lic. Fund LLC	communications Phone call with attorney Boeche re status of reconciliation, records issues and presenting early draft of management agreement with related securities documentation. [one-half time]	0.30	\$330.00	\$0.00	\$99.00
4/23/2019	CA Opportunity Lic. Fund LLC	communications Phone call with Mike Driscoll re update on ANI Lic. Fund reconciliation; issues remaining; when an executive team/counsel meeting might be appropriate. [1/2 of time]	0.30	\$330.00	\$0.00	\$99.00
4/23/2019	CA Opportunity Lic. Fund LLC	Memorandum; communications Detailed email/memo for file to atty Boeche re status of reconciliation and discussion with Mike Driscoll; suggestion of when next pre-meeting might be appropriate, etc. [1/2 of time]	0.30	\$330.00	\$0.00	\$99.00
		Amount Due	1.30		\$0.00	\$429.00

Thank You! - Balance is due upon receipt
 1.5% interest per month on unpaid balances



Law Offices of Randolph C. Houts
771 Jamacha Road #527
El Cajon, CA 92019

pd 6-12-19
Ch# 1288

June 04, 2019
 Invoice #: 400

CA Opportunity License Fund LLC
 Merit Financial, Inc.

Date	Matter	Description	Hours	Rate	Tax	Total
		Previous Balance				\$429.00
5/16/2019		payment merit ck no 1283, thanks!				(\$429.00)
		Subtotal:				(\$429.00)
5/3/2019	CA Opportunity Lic. Fund LLC	communications Various email communications in effort to set meeting with Mike, Bob, and Ilan.	0.20	\$330.00	\$0.00	\$66.00
5/7/2019	CA Opportunity Lic. Fund LLC	meeting Meeting with Ilan, Mike, and atty Boeche re their view of status of reconciliation and outstanding issues; post meeting with atty Boeche. Actual meeting time was 2.5 hours for both meetings plus 1 hour of round trip driving time for a total of 3.50 hours. [1/2 of time]	1.80	\$330.00	\$0.00	\$594.00
5/8/2019	CA Opportunity Lic. Fund LLC	communications Email exchange with Ilan regarding yesterday's meeting and his request for follow-up; brief description of the immediate efforts I'm making regarding outstanding issues on the reconciliation.	0.40	\$330.00	\$0.00	\$132.00
5/8/2019	CA Opportunity Lic. Fund LLC	parking Mtg Boeche, Mike, Ilan.		1 @ \$22.00	\$0.00	\$22.00
5/8/2019	CA Opportunity Lic. Fund LLC	mileage mileage		39 @ \$0.54	\$0.00	\$21.06
5/9/2019	CA Opportunity Lic. Fund LLC	communications Various communications with atty Boeche and Ilan regarding reconciliation facilitation meeting and my upcoming meeting with ANI. [1/2 of time]	0.50	\$330.00	\$0.00	\$165.00
5/10/2019	CA Opportunity Lic. Fund LLC	meeting Meeting with Cris re reconciliation snag, issues that need to be addressed right away and staffing considerations; brief meeting with Joelle re same and best time to contact Gina. Travel time. [1/2 of time]	1.30	\$330.00	\$0.00	\$429.00
5/13/2019	CA Opportunity Lic. Fund LLC	communications Email comm's with atty Boeche re my preliminary read on meeting with Cris and next level of inquiry regarding tasks/staffing for reconciliation. [1/2 time]	0.20	\$330.00	\$0.00	\$66.00

Date	Matter	Description	Hours	Rate	Tax	Total
5/13/2019	CA Opportunity Lic. Fund LLC	communications Preparation for comm's and various communications with Gina, Cris, Mike Driscoll, Ilan, and atty Boeche regarding reconciliation issues and retention of and services anticipated from fund accountant as well as accounting transaction work Cris is starting on. [1/2 time]	0.67	\$330.00	\$0.00	\$220.00
5/14/2019	CA Opportunity Lic. Fund LLC	communications Various email, text, and phone conversations with Gina, Ilan, and Regina Franco regarding retaining Regina to perform current and recurring fund accounting, related issues re back-up candidates and expediting the process, etc. Phone conference with Cris re same. [1/2 time]	0.70	\$330.00	\$0.00	\$231.00
5/14/2019	CA Opportunity Lic. Fund LLC	commm Additional email exchanges with Ilan regarding decision to retain Regina, related issues.	0.20	\$330.00	\$0.00	\$66.00
5/14/2019	CA Opportunity Lic. Fund LLC	communications Exchange emails with Regina re information/docs needed; phone call with Cris re how things are progressing with Regina, need for ANI contract docs like confidentiality and indep. contractor agmts if they have them. [1/2 time]	0.20	\$330.00	\$0.00	\$66.00
5/14/2019	CA Opportunity Lic. Fund LLC	communications Phone conference with Regina outlining assignment activities and requesting C.V., etc. [1/2 time]	0.20	\$330.00	\$0.00	\$66.00
5/15/2019	CA Opportunity Lic. Fund LLC	commm Follow up emails to Gina/Cris and Regina re documentation needed for retention for reconciliation work, etc. [1/2 of time]	0.20	\$330.00	\$0.00	\$66.00
5/15/2019	CA Opportunity Lic. Fund LLC	review documents Review Regina's resume; email to Regina reminding I need rate structure and any contracts she uses for her services. [1/2 of time]	0.10	\$330.00	\$0.00	\$33.00
5/16/2019	CA Opportunity Lic. Fund LLC	communications Review emails from Ilan regarding issues he sees for accounting work by Regina and Gina's response mentioning me; email to Ilan re clarifying accountants will determine any remedial reporting issues, not me, etc.	0.20	\$330.00	\$0.00	\$66.00
5/20/2019	CA Opportunity Lic. Fund LLC	document preparation Review and revise form Independent Contractor and Confidentiality agreements; includes suggesting certain revisions to form document as well as changes for this transaction/Regina re reconciliation. Explanatory/handling email to Cris. [1/2 of time]	1.40	\$330.00	\$0.00	\$462.00

Date	Matter	Description	Hours	Rate	Tax	Total
5/21/2019	CA Opportunity Lic. Fund LLC	commm Various communications regarding reconciliation/retention of Regina. [no charge as description was inadvertently not retained]	0.00	\$330.00	\$0.00	\$0.00
5/22/2019	CA Opportunity Lic. Fund LLC	document preparation; analysis, and communications Email changes and various phone communications with Gina, Cris, Ben Young, and Ilan regarding decision to retain Regina as controller for Fund instead of for ANI in its role as manager and related issues; continue work on 1099 and confidentiality agreement for Regina, complete revisions to supplied form and language and revise agreement for changes in how Regina will be retained. Detailed email to Ilan and Gina regarding obtaining approval to agreement and seeking input on several provisions. [1/2 time]	2.00	\$330.00	\$0.00	\$660.00
5/23/2019	CA Opportunity Lic. Fund LLC	document preparation; communications Phone and email communications with Ben at ANI re additional guidance for Regina's contract; draft and incorporate into draft agreement; emails to Ben and Ilan laying out revised paragraphs and requesting approval. [1/2 time]	0.40	\$330.00	\$0.00	\$132.00
5/24/2019	CA Opportunity Lic. Fund LLC	communications Exchange various emails with Ilan re issues with his receipt of draft agmt for Regina; detailed reply email to Ilan and Lorraine again attaching email and giving details about pending revisions to try to bypass poss. filtering issue.	0.40	\$330.00	\$0.00	\$132.00
5/24/2019	CA Opportunity Lic. Fund LLC	communications Email exchanges with Ilan regarding his revisions to Regina's draft contract and related issues; make revisions; email to Regina regarding reminder to reply re insurance/licensing; email to Ilan and Gina re contract status. [1/2 time]	0.25	\$330.00	\$0.00	\$82.50
5/30/2019	CA Opportunity Lic. Fund LLC	Document preparation; analysis, and communications Finalize Regina Franco agreement; email exchanges with Gina and Ilan re same; email to Regina re final draft of same for her approval. [1/2 of time]	0.30	\$330.00	\$0.00	\$99.00
5/30/2019	CA Opportunity Lic. Fund LLC	communications Email exchanges with Ilan regarding communications re Regina; possible email issues; prepare package of sent emails for him to run investigation on comm's and transmit to Ilan and Lorraine; tc's Ilan and Lorraine left message re did they receive email sent. Additional email exchange with Ilan re same.	0.80	\$330.00	\$0.00	\$264.00
		Subtotal: CA Opportunity Lic. Fund LLC	12.42			\$4,140.56

Date	Matter	Description	Hours	Rate	Tax	Total
		Amount Due	12.42		\$0.00	\$4,140.56

Thank You! - Balance is due upon receipt
1.5% interest per month on unpaid balances



JACKO LAW GROUP, PC

Invoice

13

Bill To:

Merit Financial, Inc.
 Attn: Ilan Awerbuch
 2667 Camino del Rio S, Ste 203-1
 San Diego, CA 92108
 USA

Invoice #: 23951 ✓
 Invoice Date: 5/31/2019
 Client No: J0680.01
 Due Date: Due on receipt
 Tax ID:

Date	Description	Hours	Rate	Amount
5/3/2019	RB Communicated via email with client re. upcoming meeting; discussed same with RH	0.25	400/hr	\$100.00
5/7/2019	RB Prepared for and attended onsite meeting with IA, MD and RH	1.83	400/hr	\$733.33
5/9/2019	RB Teleconference with RH re. multiple matters	0.17	400/hr	\$66.67
5/28/2019	RB Drafted additional revisions to PPM	0.75	400/hr	\$300.00
5/29/2019	RB Reviewed documents pertaining to new hire and implications related thereto	0.33	400/hr	\$133.33
SUBTOTAL:				3.33 \$1,333.33
Total Professional Fees and Costs				\$1,333.33
5/31/2019	Withdrawal from retainer account			(\$1,000.00)
Total payments and adjustments				(\$1,000.00)
Amount to Replenish to Retainer Account				\$1,000.00
Balance due				\$1,333.33
Client Retainer Transactions				
Previous balance of Retainer Account				\$205.30
5/17/2019	Deposit to retainer account (Merit Financial) Check No. 1284			\$794.70
5/31/2019	Withdrawal from retainer account			(\$1,000.00)
New balance of Retainer Account				\$0.00

Paid 6/12/19 Check #1287



Law Offices of Randolph C. Houts
771 Jamacha Road #527
El Cajon, CA 92019

June 25, 2019
 Invoice #: 421

CA Opportunity License Fund LLC
 Merit Financial, Inc.

Date	Matter	Description	Hours	Rate	Tax	Total
		Previous Balance				\$4,140.56
6/3/2019	CA Opportunity Lic. Fund LLC	communications; document revision Various email and phone conversations to get Regina's approval on her services contract and establish execution date; revise agreement accordingly and transmit to signers. [1/2 time]	0.40	\$330.00	\$0.00	\$132.00
6/4/2019	CA Opportunity Lic. Fund LLC	communications Additional email comm's with Merit, ANI, and Regina regarding correction to page 1 of agreement and execution, etc. [1/2 of time]	0.20	\$330.00	\$0.00	\$66.00
6/4/2019	CA Opportunity Lic. Fund LLC	communications Various email comm's and exchanges regarding signatures for Regina's agreement. [1/2 time]	0.30	\$330.00	\$0.00	\$99.00
6/5/2019	CA Opportunity Lic. Fund LLC	communications Review email from Regina with her ICA signature; email fully executed contract to all parties; review and reply to email from Ilan regarding fees going forward, tasks remaining, and poss. need for further facilitation issues. [1/2 time]	0.50	\$330.00	\$0.00	\$165.00
6/19/2019	CA Opportunity Lic. Fund LLC	communications Phone call with atty Boeche regarding status, retention of Regina and that her work has begun, that my understanding is that she's setting her agenda as controller of CA Opportunity Fund to address Mr. Driscoll's needs in the reconciliation and ultimately atty Boeche's needs re securities exemptions, etc., but that otherwise I'm on hold while accounting is done and available if some snag were to develop. [1/2 time]	0.20	\$330.00	\$0.00	\$66.00
6/20/2019	CA Opportunity Lic. Fund LLC	payment merit ck no. 1288, thanks!				(\$4,140.56)
		Amount Due	1.60		\$0.00	\$528.00

Thank You! - Balance is due upon receipt
 1.5% interest per month on unpaid balances

Paid check # 1290 Merit Financial, Inc. 6/25/19



JACKO LAW GROUP, PC

Invoice

15A

Bill To:

Merit Financial, Inc.
 Attn: Ilan Awerbuch
 2667 Camino del Rio S, Ste 203-1
 San Diego, CA 92108
 USA

Invoice #: 24114 ✓
 Invoice Date: 6/30/2019
 Client No: J0680.01
 Due Date: Due on receipt
 Tax ID:

Date	Description	Hours	Rate	Amount
6/19/2019	RB Teleconference with IA re. fund audit status and additional inquiries	0.25	400/hr	\$100.00
SUBTOTAL:				0.25 \$100.00
Total Professional Fees and Costs				\$100.00
Previous Balance				\$333.33
Accounts receivable transactions				
6/18/2019	Payment - Thank You (Merit Financial Inc.) Check No. 1287			(\$333.33)
6/30/2019	Withdrawal from retainer account			(\$100.00)
Total payments and adjustments				(\$433.33)
Amount to Replenish to Retainer Account				\$100.00
Balance due				\$100.00
Client Retainer Transactions				
Previous balance of Retainer Account				\$0.00
6/18/2019	Deposit to retainer account. Check No. 1287			\$1,000.00
6/30/2019	Withdrawal from retainer account			(\$100.00)
New balance of Retainer Account				\$900.00

Left retainer as is. No payment sent

1350 Columbia Street, Suite 300
 San Diego, CA 92101
 Tel: 619-298-2880 Fax: 619-298-2882
 www.jackolg.com



Law Offices of Randolph C. Houts
771 Jamacha Road #527
El Cajon, CA 92019

August 02, 2019

Invoice #: 430

CA Opportunity License Fund LLC
 Merit Financial, Inc.

pd 8-12-19
CH # 1294

Date	Matter	Description	Hours	Rate	Tax	Total
		Previous Balance				\$528.00
7/8/2019		payment ck no. 1290, thanks!				(\$528.00)
7/12/2019	CA Opportunity Lic. Fund LLC	communications Review and reply to email from Ilan regarding bonding suggestion and related issues.	0.60	\$330.00	\$0.00	\$198.00
7/18/2019	CA Opportunity Lic. Fund LLC	communications Communications with Ilan at Merit re status of reconciliation and bonding issue considerations; preliminary research re bonding information/cost; phone call with Cris to confirm investor pool details and re same [1/2 time].	0.60	\$330.00	\$0.00	\$198.00
		Amount Due	1.20		\$0.00	\$396.00

Thank You! - Balance is due upon receipt
 1.5% interest per month on unpaid balances



Law Offices of Randolph C. Houts
771 Jamacha Road #527
El Cajon, CA 92019

September 12, 2019
 Invoice #: 465

CA Opportunity License Fund LLC
 Merit Financial, Inc.

Date	Matter	Description	Hours	Rate	Tax	Total
		Previous Balance				\$396.00
8/1/2019	CA Opportunity Lic. Fund LLC	Meeting, communications Meeting with Cris, Gina, and Regina regarding reconciliation status, related issues; travel time; use notes from meeting to draft memo/email to atty Boeche for comment. [1/3 billed to Merit]	1.10	\$330.00	\$0.00	\$363.00
8/2/2019	CA Opportunity Lic. Fund LLC	communications Phone conference with atty Boeche regarding specifics and thoughts on my status meeting with Regina; revise post meeting memo for general distribution and transmit to Merit/ANI. [1/2 time]	0.80	\$330.00	\$0.00	\$264.00
8/7/2019	CA Opportunity Lic. Fund LLC	communications Review detailed email from Ilan clarifying status and procedure managers are following regarding reconciliation; email in response. [1/2 time]	0.50	\$330.00	\$0.00	\$165.00
8/15/2019	CA Opportunity Lic. Fund LLC	communications Review additional communications regarding upcoming meeting of managers/accountants re reconciliation; Email exchanges with Ilan and Gina re same. [1/2 time]	0.20	\$330.00	\$0.00	\$66.00
8/19/2019	CA Opportunity Lic. Fund LLC	communications Review email comm's between managers, Regina re tomorrow's meeting w/Regina and account records. [1/2 time]	0.20	\$330.00	\$0.00	\$66.00
8/20/2019	CA Opportunity Lic. Fund LLC	payment ck no. 1294, thanks!				(\$396.00)
		Subtotal: CA Opportunity Lic. Fund LLC	2.80			\$528.00
		Amount Due	2.80		\$0.00	\$924.00

Thank You! - Balance is due upon receipt
 1.5% interest per month on unpaid balances



Applied Business Software, Inc.

**Applied
Business
Software**

2847 Gundry Avenue
Long Beach, CA 90755

Statement

Date
9/24/2019

Account #
ADL6196

To:

ANI License Fund I
A Division of ANI Development, LLC
%Accounts Payable Dept.
3515 Hancock Street, Suite 200
San Diego, CA 92110

ADL6196

\$ 8.61 - charge for
CC 6030

					Amount Due	Amount Enc.
					\$297.00	
Date	Transaction				Amount	Balance
08/16/2019	INV #055291, Due 09/15/2019, Orig. Amount \$297.00, QHA				297.00	297.00
CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due	
0.00	297.00	0.00	0.00	0.00	\$297.00	

305.601

26

MERIT FINANCIAL, INC.
2546 DEERPARK DR.
SAN DIEGO, CA 92110-1143

1301

90-7162/3222

12/17/2017

SPECIAL ACCOUNTING CHRG
FIVE THOUSAND, ONE HUNDRED, FORTY SIX

$\times \frac{25}{X2}$

5175

CHASE
JPMorgan Chase Bank, N.A.
www.Chase.com

W/ # 1511, CH FUND

[Signature]

NOT NEGOTIABLE



Payment receipt

You paid \$323.00

to Now Discovery, LLC on February 20, 2021

Invoice no. 11894

Invoice amount \$323.00 ✓

Total \$323.00

Payment method VISA****0915

Authorization ID PH0078543951

Thank you



Now Discovery, LLC

1 6026177728

www.nowdiscovery.com | accounting@nowdiscovery.com

39506 N Daisy Mountain Dr. Ste 122-451, Anthem, AZ 85086

Geraci Legal Corporation GLF Listing

Doc. #'s 19, 20, 25

Matter ID	Client Sort Description	Stmn Date	Stmn No.	Ledger Type	Total	Balance
Statement Number: 9741669						
02015-0001	Merit Financial, Inc. ANI License Fund I and CA Opportunity License Fund, LLC	7/26/2019	9741669	Cash receipt	(1,410.00)	
02015-0001	Merit Financial, Inc. ANI License Fund I and CA Opportunity License Fund, LLC	7/26/2019	9741669	Statement	1,410.00	0.00
Statement Number: 9741669					\$0.00	\$0.00
Statement Number: 9743278						
02015-0001	Merit Financial, Inc. ANI License Fund I and CA Opportunity License Fund, LLC	9/4/2019	9743278	Cash receipt	(3,835.00)	
02015-0001	Merit Financial, Inc. ANI License Fund I and CA Opportunity License Fund, LLC	9/4/2019	9743278	Statement	3,835.00	0.00
Statement Number: 9743278					\$0.00	\$0.00
Statement Number: 9744727						
02015-0001	Merit Financial, Inc. ANI License Fund I and CA Opportunity License Fund, LLC	10/4/2019	9744727	Cash receipt	(1,325.00)	
02015-0001	Merit Financial, Inc. ANI License Fund I and CA Opportunity License Fund, LLC	10/4/2019	9744727	Statement	1,325.00	0.00
Statement Number: 9744727					\$0.00	\$0.00
Statement Number: 9745092						

12/28/2021 2:45:58 PM

Page 1 of 2

Search for: 02015-0001 Search by: Matter ID

Geraci Legal Corporation GLF Listing

Doc #'s 29, 31

Matter ID	Client Sort Description	Stmn Date	Stmn No.	Ledger Type	Total	Balance
02015-0001	Merit Financial, Inc. ANI License Fund I and CA Opportunity License Fund, LLC	10/31/2019	9745092	Cash receipt	(236.00)	
02015-0001	Merit Financial, Inc. ANI License Fund I and CA Opportunity License Fund, LLC	10/31/2019	9745092	Statement	236.00	0.00
Statement Number: 9745092					\$0.00	\$0.00
Statement Number: 9745531						
02015-0001	Merit Financial, Inc. ANI License Fund I and CA Opportunity License Fund, LLC	12/5/2019	9745531	Cash receipt	(216.50)	
02015-0001	Merit Financial, Inc. ANI License Fund I and CA Opportunity License Fund, LLC	12/5/2019	9745531	Statement	216.50	0.00
Statement Number: 9745531					\$0.00	\$0.00
Grand Total:					\$0.00	\$0.00

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Search for: 02015-0001 Search by: Matter ID

Page 2 of 2

Geraci Legal Corporation GLF Listing

Matter ID	Client Sort Description	Stmn Date	Stmn No.	Ledger Type	Total	Balance
Statement Number: 9744707						
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	10/2/2019	9744707	Cash receipt	(10,717.50)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	10/2/2019	9744707	Statement	10,717.50	0.00
Statement Number: 9744707					\$0.00	\$0.00
Statement Number: 9745060						
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	10/30/2019	9745060	Cash receipt	(11,659.50)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	10/30/2019	9745060	Statement	11,659.50	0.00
Statement Number: 9745060					\$0.00	\$0.00
Statement Number: 9745370						
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	12/10/2019	9745370	Cash receipt	(13,899.00)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	11/27/2019	9745370	Cash receipt	(8,623.00)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	11/27/2019	9745370	Statement	22,522.00	0.00
Statement Number: 9745370					\$0.00	\$0.00
Statement Number: 9745747						
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	1/2/2020	9745747	Cash receipt	(6.75)	

Doc #3

#24

#28

#30

12/28/2021 2:46:45 PM

Page 1 of 7

Search for: 02015-0002 Search by: Matter ID

Geraci Legal Corporation GLF Listing

Matter ID	Client Sort Description	Stmn Date	Stmn No.	Ledger Type	Total	Balance
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	12/30/2019	9745747	Cash receipt	(1,101.00)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	1/15/2020	9745747	Cash receipt	(4,693.75)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	12/30/2019	9745747	Statement	5,801.50	0.00
Statement Number: 9745747					\$0.00	\$0.00
Statement Number: 9746344						
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	3/17/2020	9746344	Cash receipt	(3,926.25)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	1/25/2020	9746344	Cash receipt	(306.25)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	1/25/2020	9746344	Statement	4,232.50	0.00
Statement Number: 9746344					\$0.00	\$0.00
Statement Number: 9746503						
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	3/17/2020	9746503	Cash receipt	(925.48)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	2/25/2020	9746503	Statement	4,235.00	0.00
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	3/17/2020	9746503	Write-off	(2,901.46)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	3/17/2020	9746503	Write-off	(408.06)	
Statement Number: 9746503					\$0.00	\$0.00

#32

#33

#34

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Search for: 02015-0002 Search by: Matter ID

Page 2 of 7

Geraci Legal Corporation

GLF Listing

Matter ID	Client Sort Description	Stmn Date	Stmn No.	Ledger Type	Total	Balance
Statement Number: 9747772						
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	6/3/2020	9747772	Cash receipt	(983.25)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	5/25/2020	9747772	Statement	1,035.00	0.00
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	6/3/2020	9747772	Write-off	(31.75)	
Statement Number: 9747772					<u>\$0.00</u>	<u>\$0.00</u>
Statement Number: 9748253						
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	7/10/2020	9748253	Cash receipt	(1,752.75)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	6/25/2020	9748253	Statement	1,845.00	0.00
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	7/10/2020	9748253	Write-off	(92.25)	
Statement Number: 9748253					<u>\$0.00</u>	<u>\$0.00</u>
Statement Number: 9748567						
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	8/14/2020	9748567	Cash receipt	(2,592.00)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	7/23/2020	9748567	Statement	2,592.00	0.00
Statement Number: 9748567					<u>\$0.00</u>	<u>\$0.00</u>
Statement Number: 9748888						

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Search for: 02015-0002 Search by: Matter ID

Geraci Legal Corporation GLF Listing

Matter ID	Client Sort Description	Stmn Date	Stmn No.	Ledger Type	Total	Balance
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	9/15/2020	9748888	Cash receipt	(7,859.97)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	8/25/2020	9748888	Statement	7,859.97	0.00
Statement Number: 9748888					\$0.00	\$0.00
Statement Number: 9749253						
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	10/5/2020	9749253	Cash receipt	(2,831.60)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	9/25/2020	9749253	Statement	2,831.60	0.00
Statement Number: 9749253					\$0.00	\$0.00
Statement Number: 9749585						
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	11/5/2020	9749585	Cash receipt	(2,842.84)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	10/25/2020	9749585	Statement	2,842.84	0.00
Statement Number: 9749585					\$0.00	\$0.00
Statement Number: 9749985						
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	12/10/2020	9749985	Cash receipt	(6,840.00)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	11/23/2020	9749985	Statement	7,200.00	0.00
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	12/10/2020	9749985	Write-off	(360.00)	

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Search for: 02015-0002 Search by: Matter ID

Geraci Legal Corporation GLF Listing

Matter ID	Client Sort Description	Stmn Date	Stmn No.	Ledger Type	Total	Balance
Statement Number: 9749985					\$0.00	\$0.00
Statement Number: 9750348						
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	1/14/2021	9750348	Cash receipt	(15,354.37)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	12/25/2020	9750348	Statement	16,162.50	0.00
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	1/14/2021	9750348	Write-off	(808.13)	
Statement Number: 9750348					\$0.00	\$0.00
Statement Number: 9750735						
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	2/2/2021	9750735	Cash receipt	(9,635.50)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	1/25/2021	9750735	Statement	9,635.50	0.00
Statement Number: 9750735					\$0.00	\$0.00
Statement Number: 9751311						
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	3/9/2021	9751311	Cash receipt	(6,150.00)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	2/25/2021	9751311	Statement	6,150.00	0.00
Statement Number: 9751311					\$0.00	\$0.00
Statement Number: 9751784						
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	4/6/2021	9751784	Cash receipt	(3,547.50)	

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Search for: 02015-0002 Search by: Matter ID

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Geraci Legal Corporation GLF Listing

Matter ID	Client Sort Description	Stmn Date	Stmn No.	Ledger Type	Total	Balance
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	3/25/2021	9751784	Statement	3,547.50	0.00
Statement Number: 9751784					\$0.00	\$0.00
Statement Number: 9752281						
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	5/17/2021	9752281	Cash receipt	(5,055.00)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	4/25/2021	9752281	Statement	5,055.00	0.00
Statement Number: 9752281					\$0.00	\$0.00
Statement Number: 9752809						
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	6/9/2021	9752809	Cash receipt	(9,947.50)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	5/25/2021	9752809	Statement	9,947.50	0.00
Statement Number: 9752809					\$0.00	\$0.00
Statement Number: 9753134						
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	7/13/2021	9753134	Cash receipt	(6,847.50)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	6/25/2021	9753134	Statement	6,847.50	0.00
Statement Number: 9753134					\$0.00	\$0.00
Statement Number: 9753782						
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	8/4/2021	9753782	Cash receipt	(4,322.50)	

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Search for: 02015-0002 Search by: Matter ID

Geraci Legal Corporation

GLF Listing

Matter ID	Client Sort Description	Stmn Date	Stmn No.	Ledger Type	Total	Balance
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	7/25/2021	9753782	Statement	4,322.50	0.00
Statement Number: 9753782					\$0.00	\$0.00
Statement Number: 9754264						
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	9/7/2021	9754264	Cash receipt	(5,307.50)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	8/25/2021	9754264	Statement	5,307.50	0.00
Statement Number: 9754264					\$0.00	\$0.00
Statement Number: 9754742						
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	10/26/2021	9754742	Cash receipt	(6,970.00)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	9/25/2021	9754742	Statement	6,970.00	0.00
Statement Number: 9754742					\$0.00	\$0.00
Statement Number: 9755295						
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	11/3/2021	9755295	Cash receipt	(12,302.50)	
02015-0002	Merit Financial, Inc. SEC v. ANI Development, LLC	10/25/2021	9755295	Statement	12,302.50	0.00
Statement Number: 9755295					\$0.00	\$0.00
Grand Total:					\$0.00	\$0.00

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Search for: 02015-0002 Search by: Matter ID

Geraci Legal Corporation GLF Listing

Matter ID	Client Sort Description	Stmn Date	Stmn No.	Ledger Type	Total	Balance
Statement Number: 9754675						
02015-0003	Merit Financial, Inc. Freitag v Merit Financial	10/26/2021	9754675	Cash receipt	(1,290.00)	
02015-0003	Merit Financial, Inc. Freitag v Merit Financial	9/28/2021	9754675	Statement	1,290.00	0.00
Statement Number: 9754675					\$0.00	\$0.00
Statement Number: 9755246						
02015-0003	Merit Financial, Inc. Freitag v Merit Financial	10/27/2021	9755246	Cash receipt	(7,822.50)	
02015-0003	Merit Financial, Inc. Freitag v Merit Financial	10/27/2021	9755246	Statement	7,822.50	0.00
Statement Number: 9755246					\$0.00	\$0.00
Statement Number: 9755762						
02015-0003	Merit Financial, Inc. Freitag v Merit Financial	11/30/2021	9755762	Cash receipt	(867.50)	
02015-0003	Merit Financial, Inc. Freitag v Merit Financial	12/22/2021	9755762	Cash receipt	(6,615.00)	
02015-0003	Merit Financial, Inc. Freitag v Merit Financial	11/30/2021	9755762	Statement	7,502.50	0.00
Statement Number: 9755762					\$0.00	\$0.00
Grand Total:					\$0.00	\$0.00

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Search for: 02015-0003 Search by: Matter ID

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EXHIBIT P

EXHIBIT P

<p>UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF CALIFORNIA CASE NO. 3:19-cv-01628-LAB-AHG</p> <p>SECURITIES AND EXCHANGE COMMISSION vs. GINA CHAMPION-CAIN; ANI DEVELOPMENT, LLC; DEFENDANTS and AMERICAN NATIONAL INVESTMENTS, INC.; RELIEF DEFENDANT</p>	<p>TRADE CREDITOR PROOF OF CLAIM FORM</p> <div></div> <p>THIS SPACE RESERVED FOR ADMINISTRATIVE USE ONLY</p>
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PLEASE READ THE ACCOMPANYING LETTER - INSTRUCTIONS BEFORE
COMPLETING THIS FORM, THIS FORM MUST BE COMPLETED AND
RETURNED ON OR BEFORE DECEMBER 31, 2021

NAME AND ADDRESS OF CLAIMANT:

Iconik Builders, Inc.
2794 Loker Avenue W., Unit #109
Carlsbad, CA 92010

The submission of a Trade Creditor and Tax Claim Form does not guarantee that you will receive a distribution of any amount. Each claim will be reviewed by the Receiver, and the Receiver will then make a recommendation to the United States District Court for the Southern District of California ("Court") to allow or disallow part or all of the claim. Claimants will receive notice and an opportunity to respond if the Receiver disagrees with the amount stated on their claim. For claims that are allowed, distributions will be made pursuant to a Court-approved distribution plan. The amount distributed will depend on the total amount of allowed claims, the total assets available for distribution, and the terms of the distribution plan.

In submitting your claim, please keep in mind that an allowed claim shall not include claims for interest, late fees, contract or other damages, legal fees incurred, contingent or unliquidated damages. Furthermore, only claims for actual services provided or materials delivered to the Receivership Entities prior to the receivership will be considered.

I am submitting a claim as an/a (must check only one box):

- ☒ Trade Creditor or Vendor
- ☐ Employee (if selected, must complete Section II and Section VII below)
- ☐ Tax Agency (State, Federal or local taxing authority)
- ☐ Other. If Other, provide explanation: _____

☒ Check this box ONLY if your current address has changed and, if so, please print updated address here:

Updated Address: _____

Telephone No. of Claimant: _____

Email Address of Claimant: LUKE@ICONIKBUILDERS.COM

Tax I.D.: _____

Name as it should appear on distribution check:

Payee: ICONIK BUILDERS, INC.

Payment Address (only IF different than address on file):

Payment Address: 123 W. ORANGE ST VISTA, CA. 92083

DETAILED CHART ON FOLLOWING PAGE(s)

Please list and explain the amount of your claim and how the claim arose (use extra sheet if necessary) – YOU MUST ALSO PROVIDE COPIES OF ALL INVOICES, CONTRACTS, AND OTHER DOCUMENTATION SUPPORTING THIS CLAIM.

Date of claim/service/delivery of goods/contract/tax	Amount of Claim (e.g., Invoice/Bill)	Description of claim/contract and/or service, goods or basis for tax claim
7/28/2020 8:48 AM	\$ 227,431.73	T.I. TO 3515 HANCOCK ST.
7/28/2020 8:48 AM	\$ 55,000.00	T.I. ELEVATOR @ 3515 HANCOCK
7/28/2020	\$ 64,521.32	LA MESA APARTMENTS

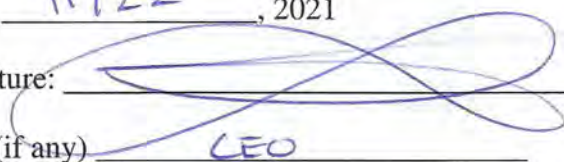
Supporting Documents: If you are a trade creditor, vendor, employee, taxing authority or other claimant, you are required to provide sufficient documentation supporting your claim; claims submitted without sufficient supporting documentation may be disallowed. Please send copies only and retain your original records; original materials provided to the Monitor will not be returned to you. Upon completion, be sure to keep a copy of your completed claim form and proof of mailing. Please send all documentation to: E3 Advisors, Attn: ANI Claims Process Administrator, 501 West Broadway, Suite 290, San Diego, CA 92101. If the Receiver has questions or needs further information, her office will contact you.

Date Stamped Copy: To receive an acknowledgement of the filing of your Claim Certification Form, please enclose a stamped, self-addressed envelope and an additional copy of this Claim Certification Form.

Signature: Sign and print the name and title, if any, of the claimant or other person authorized to file this claim (attach copy of power of attorney, death certificate, trust beneficiary, or other documents as needed). **YOU MUST PROVIDE AN ORIGINAL SIGNATURE.**

PLEASE NOTE that we cannot provide you with tax or legal advice relating to your claim. If you have concerns about the tax or legal implications of your claim, please contact an attorney or your tax advisor.

By Signing My/Our Name Below, I/We Acknowledge and Affirm that: I/we will supplement this Proof of Claim Form if any information given later becomes inaccurate or incomplete; I/we am/are a creditor of the Receivership Entities; I/we hereby affirm that the answers provided herein are truthful; and that I/we understand that this Proof of Claim is submitted under penalty of perjury.

Date: 11/22, 2021
Signature:  Name: Lucas McClure
Title (if any) CEO

Signature: _____ Name: _____
Title (if any) _____

Signature: _____ Name: _____
Title (if any) _____

E3 Advisors
ANI Claims Process Administrator
501 W BROADWAY
SUITE 290
SAN DIEGO CA 92101

USPS CERTIFIED MAIL™



9407 1368 9784 6534 1141 29



ICONIK BUILDERS, INC.
2794 LOKER AVENUE W.
UNIT #109
CARLSBAD CA 92010

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FOLD ALONG THIS LINE

November 2, 2021

Re: **Claims Bar Date Notice and Instructions for Proof of Claim Form**
in the matter of Securities and Exchange Commission v. Gina Champion-Cain and ANI Development, LLC, Defendants, and American National Investments, Inc., Relief Defendant, United States District Court, Southern District of California (the "Court") Case No. 3:19-cv-01628-LAB-AHG

Dear Claimant:

As you are aware, I have been appointed as permanent receiver for Defendant ANI Development, LLC, Relief Defendant American National Investments, Inc., and their subsidiaries and affiliates (collectively, "Receivership Entities" or individually, a "Receivership Entity") in connection with the above-referenced Securities and Exchange Commission (the "SEC" or "Commission") enforcement action.

Among my duties as the Receiver is to oversee the administration of the claims process whereby each prospective claimant can submit a claim for payment of her/his/its net loss or other claim, which claim, if allowed by the Court, will be paid in accordance with a (yet to be filed) distribution plan. As presented in the Motion for, (1) Approval of Procedures for the Administration of Claims Against the Receivership Estate; (2) Setting Claims Bar Date; and (3) Approval of the Claims Bar Date Notice and Proof of Claim Forms (the "Claims Motion"), in order to determine the appropriate claim amount for each unique claimant and formulate a proposed plan for distributing receivership estate funds, an orderly process for the submission and review of claim information, and the determination of any disputed claims must be established. As such, the Receiver first sought Court approval of the Claims Motion and will later seek Court approval of a distribution plan in order to proceed with the actual distributions.

On October 14, 2021, the United States District Court approved the Claims Motion via the Order Granting Motion for, (1) Approval of Procedures for the Administration of Claims Against the Receivership Estate; (2) Setting Claims Bar Date; and (3) Approval of the Claims

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377531.00008/10-18-21/drz/md

Bar Date Notice and Proof of Claim Forms ("Claims Process Order"). A copy of the Claims Motion and Claims Process Order can be found at www.anireceivership.com or you can request a copy by phone at (619) 788-5602 or email at ani@ethreadvisors.com.

This Claims Bar Date Notice and Instructions for Proof of Claim Form serves as formal notice of the Claims Process Order, which among other things, requires that each claimant sign (under penalty of perjury) and submit the enclosed Proof of Claim Form and Substitute W9 form to the Receiver on or before **December 31, 2021** (the "Bar Date"). Should you fail to return the completed and signed Proof of Claim Form and W9 form on or before the Bar Date, your claim may be disallowed as untimely.

You have been identified as a prospective claimant. With regard to investor claimants, I have worked to calculate the Net Loss Amount, which reflects the net amount of actual payments you made to and received from the Receivership Entities or others in connection with the scheme. The Proof of Claim Form provides each of you with a detailed summary of my calculations of your claim, resulting from the money-in/money-out ("MIMO") calculation (which includes any settlement payment you received from Chicago Title) as approved by the Court. Please note that, pursuant to the Claims Process Order, this calculation does not include any interest or principal amounts "reinvested", "compounded", "rolled over" or otherwise never actually paid out to you; it also does not include any accrued interest or legal fees you may have incurred.

For most investor claimants, this calculation may aggregate or identify multiple investments which appear affiliated or investors in the same household (e.g., husband and wife) as a single unit/unique investor. For example, if you invested \$10,000 via 'Account A' and \$10,000 via 'Account B' and received total payments from the Receivership Entities' or others in

connection with the scheme for 'Account A' of \$12,000 and rolled over \$3,000 of unpaid interest for 'Account B'; your total claim amount will be \$8,000 (\$10,000 plus \$10,000 less \$12,000 actually received).

However, it may be necessary in some instances to separate affiliated investments or household units. As such, you and your spouse, significant other, or relative must provide to my office all documentation which is relevant to showing who (along with the appropriate tax identification number) is the ultimate beneficiary of your investment(s). For example, if a family trust's beneficiaries are different from your individual investment, it is imperative you provide all current trust documents which reflect the legal beneficiaries of the trust's assets. Or, for example, if an investor has married or divorced, is deceased, is a corporation or an LLC, paperwork reflecting such occurrence (e.g., marriage certificate, divorce decree or death certificate, will and/or estate documents which reflect beneficiaries) or proper ownership (in the event of a corporate or LLC investments) must be provided to my office. If separation of investments is determined appropriate or necessary, we will need each separate investor to complete his/hers/its own Proof of Claim Form. **Each of you will be required to timely complete and return a Proof of Claim Form and W9 to my office. The Proof of Claim Form and W9 Form will be available for download on the www.anireceivership.com website or you can request an additional copy by emailing the Receiver at ani@ethreeadvisors.com.**

Please note that if you receive any payments for any reason (between now and the distribution plan implementation) relating to your investment(s), the amount(s) of those payments will reduce your net MIMO balance for the purpose of the forthcoming distribution plan to be submitted for Court approval upon completion of this claims process.

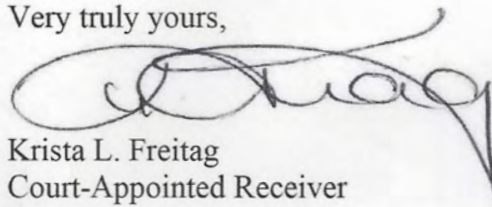
Trade creditors and taxing authorities must also timely submit Proof of Claim Forms and W9 Forms to my office. Per the Claims Process Order and the attached Trade Creditor and Tax Proof of Claim Forms, each Trade Creditor who asserts a claim against the Receivership Entities for amounts due prior to the Receivership Appointment Date (September 3, 2019), must complete, sign and submit the Proof of Claim Form with supporting documentation to my office on or before the Claims Bar Date. If approved, trade claims will only be allowed in the amount of the actual value of the goods or services provided prior to the Receivership Date.

With regard to both investor claimants and trade creditor claimants, please note that pursuant to the Claims Process Order, an allowed claim shall not include claims for interest, late fees, contract or other damages, legal fees, contingent or unliquidated damages, claims submitted by a Defendant or their present or former officer or director.

AT THIS TIME, PLEASE READ, REVIEW, AND COMPLETE THE ATTACHED INVESTOR PROOF OF CLAIM FORM OR TRADE CREDITOR AND TAX PROOF OF CLAIM FORM AND RETURN A COPY, ALONG WITH THE ENCLOSED W9 FORM AND ANY SUPPORTING DOCUMENTATION YOU DEEM NECESSARY, TO E3 ADVISORS, ATTN: ANI CLAIMS PROCESS ADMINISTRATOR AT 501 WEST BROADWAY, SUITE 290, SAN DIEGO, CA 92101. THESE FORMS MUST BE SIGNED AND RETURNED SUCH THAT THEY ARE RECEIVED ON OR BEFORE THE BAR DATE DECEMBER 31, 2021.

As always, I encourage you to follow this matter on the website at www.anireceivership.com. Thank you for your assistance during the pendency of this process.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Krista L. Freitag', with a stylized, flowing script.

Krista L. Freitag
Court-Appointed Receiver

Enclosure

EXHIBIT Q

EXHIBIT Q

RELEASE AGREEMENT

This RELEASE AGREEMENT ("**Agreement**"), dated as of 7/29/2020, 2020 is made by and between KRISTA L. FREITAG ("**Receiver**"), in her capacity as Court-appointed permanent receiver for ANI DEVELOPMENT, LLC, AMERICAN NATIONAL INVESTMENTS, INC., and their subsidiaries and affiliates, and ICONIK BUILDERS, INC. ("**Iconik**").

RECITALS

A. On August 28, 2019, the Securities and Exchange Commission ("**Commission**") filed a Complaint in the United States District Court for the Southern District of California ("**District Court**") against Defendants Gina Champion-Cain and ANI Development, LLC, and Relief Defendant American National Investments, Inc. Concurrently with filing the Complaint, the Commission filed a Joint Motion and Stipulated Request for a Preliminary Injunction Order and Orders (1) Freezing Assets; (2) Requiring Accountings; (3) Prohibiting the Destruction of Documents; and (4) Appointing a Permanent Receiver.

B. The Complaint alleges that Defendants operated a large-scale Ponzi scheme that raised over \$300 million from investors by falsely representing that the funds would be used for a liquor license lending program. On September 3, 2019, the District Court granted the Joint Motion and entered the requested Preliminary Injunction Order and Related Orders, including appointing the Receiver as permanent receiver for ANI Development, LLC, American National Investments, Inc., and their subsidiaries and affiliates ("**Receivership Entities**").

C. Iconik performed certain work for the Receivership Entities prior to the Receiver's appointment, has asserted claims for unpaid amounts alleged to be owing under its contracts with the Receivership Entities, and appears to have recorded mechanic's liens against three real properties located at (a) 4020 Goldfinch Street, San Diego, CA, (b) 3515 Hancock Street, San Diego, CA, and (c) 7571 University Avenue, La Mesa, CA ("**Iconik Mechanic's Liens**").

D. The Receiver and Iconik have agreed to resolve all claims Iconik may have against the Receivership Entities, under the terms and conditions provided herein.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants and conditions hereinafter contained, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the undersigned agree as follows:

1. Payment. At the time of closing of the sale of the property located at 7571 University Avenue, La Mesa, CA, the Receiver shall cause Iconik to be paid directly from the sale escrow the amount of \$12,500.

2. Release. Iconik, for itself, its agents, employees, partners, directors, officers, successors and assigns, forever, irrevocably and unconditionally releases and discharges the Receivership Entities, the Receiver and the receivership estate, and their respective officers, directors, representatives, heirs, executors, administrators, receivers, successors, assigns, predecessors, agents, attorneys and employees, of and from any and all claims, demands, debts, obligations, liabilities, costs, expenses, rights of action, causes of action, awards and judgments,

including but not limited to the Iconik Mechanic's Liens, all of which are hereinafter called, **"Released Claims."**

Iconik acknowledges and agrees that the Released Claims may include claims of every nature and kind whatsoever, whether known or unknown, suspected or unsuspected and further acknowledge that they may be presently unknown or unsuspected, and may be based upon hereafter discovered facts different from, or in addition to, those which they now know, or believe to be true. Nevertheless, the parties agree that the foregoing release shall be and remain effective in all respects, notwithstanding such different or additional facts, or the discovery thereof, and further hereby expressly waive and relinquish any and all rights provided in California Civil Code Section 1542 which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Iconik expressly waives and releases any rights and benefits it has or may have under any similar law or rule of any other jurisdiction pertaining to the matters released herein. It is the intention of the parties through this Agreement and with the advice of counsel to fully, finally and forever settle and release the claims and disputes existing between them as provided herein, known or unknown. The releases herein given shall be and remain in effect as full and complete releases of all such matters notwithstanding the discovery of any additional claims or facts relating thereto.

3. Voluntary Signing. Each of the parties to this Agreement has executed this Agreement without any duress or undue influence.

4. Independent Counsel. Each of the parties acknowledge and agree that they have been represented by independent counsel of their own choice throughout all negotiations which preceded the execution of this Agreement, that it has executed and approved of this Agreement after consultation with said counsel, and that it shall not deny the validity of this Agreement on the ground that such party did not have the advice of legal counsel.

5. Governing Law and Venue. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of California, and Federal Equity Receivership law, and subject to the exclusive jurisdiction of the District Court.

6. Waiver/Amendment. No breach of any provision of this Agreement can be waived unless in writing. Waiver of any one breach of any provision of this Agreement is not a waiver of any other breach of the same or of any other provision of this Agreement. Amendment of this Agreement may be made only by written agreement signed by the parties.

7. Fax and Counterparts. This Agreement may be executed by fax and/or in counterparts and, if so executed, each fax and/or counterpart shall have the full force and effect of an original.

8. Attorneys' Fees and Costs. The parties hereto shall each bear their own costs and attorneys' fees incurred in connection with the negotiation and documentation of this Agreement.

If any proceeding, action, suit or claim is undertaken to interpret or enforce this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs incurred in connection with such dispute.

9. Notices. Notices to be provided hereunder shall be effective if sent to the following:

To Iconik:

To the Receiver:

Krista L. Freitag, Receiver
c/o Allen Matkins
600 W. Broadway, 27th Floor
San Diego, CA 92101
Attn: Ted Fates, Esq.

ICONIK:



By: Lucas McClure - 760-822-1260 luke@iconikbuilders.com
LUCAS MCCLURE, Owner

RECEIVER:

KRISTA L. FREITAG, COURT-APPOINTED
PERMANENT RECEIVER FOR ANI
DEVELOPMENT, LLC, AMERICAN
NATIONAL INVESTMENTS, INC., AND THEIR
SUBSIDIARIES AND AFFILIATES

By:



KRISTA L. FREITAG, Receiver

UNCONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT

NOTICE TO CLAIMANT: THIS DOCUMENT WAIVES AND RELEASES LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL WAIVER AND RELEASE FORM.

Identifying Information

Name of Claimant:

Name of Customer:

Job Location:

Owner:

Unconditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for all labor and service provided, and equipment and material delivered, to the customer on this job. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. The claimant has been paid in full.

Exceptions

This document does not affect any of the following:
Disputed claims for extras in the amount of: \$

Signature

Claimant's Signature:

Claimant's Title:

Date of Signature:

7/1/12

EXHIBIT R

EXHIBIT R

ORIGINAL

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
CASE NO. 3:19-cv-01628-LAB-AHG

SECURITIES AND EXCHANGE COMMISSION
vs.
GINA CHAMPION-CAIN; ANI DEVELOPMENT, LLC;
DEFENDANTS
and
AMERICAN NATIONAL INVESTMENTS, INC.;
RELIEF DEFENDANT

TRADE CREDITOR PRO
FORM



THIS SPACE RESERVED FOR ADMINISTRATIVE
USE ONLY

**PLEASE READ THE ACCOMPANYING LETTER - INSTRUCTIONS BEFORE
COMPLETING THIS FORM, THIS FORM MUST BE COMPLETED AND
RETURNED ON OR BEFORE DECEMBER 31, 2021**

NAME AND ADDRESS OF CLAIMANT:

Noonan Lance
701 Island Ave. Suite 400
San Diego, CA 92101

The submission of a Trade Creditor and Tax Claim Form does not guarantee that you will receive a distribution of any amount. Each claim will be reviewed by the Receiver, and the Receiver will then make a recommendation to the United States District Court for the Southern District of California ("Court") to allow or disallow part or all of the claim. Claimants will receive notice and an opportunity to respond if the Receiver disagrees with the amount stated on their claim. For claims that are allowed, distributions will be made pursuant to a Court-approved distribution plan. The amount distributed will depend on the total amount of allowed claims, the total assets available for distribution, and the terms of the distribution plan.

In submitting your claim, please keep in mind that an allowed claim shall not include claims for interest, late fees, contract or other damages, legal fees incurred, contingent or unliquidated damages. Furthermore, only claims for actual services provided or materials delivered to the Receivership Entities prior to the receivership will be considered.

I am submitting a claim as an/a (must check only one box):

- ☐ Trade Creditor or Vendor
- ☐ Employee (if selected, must complete Section II **and** Section VII below)
- ☐ Tax Agency (State, Federal or local taxing authority)
- ☒ Other. If Other, provide explanation: Legal Services

☐ Check this box ONLY if your current address has changed and, if so, please print updated address here:

Updated Address: _____

Telephone No. of Claimant: 619-780-0880

Email Address of Claimant: eboyer@noonanlance.com

Tax I.D.: _____

Name as it should appear on distribution check:

Payee: Noonan Lance Boyer & Banach LLP

Payment Address (only IF different than address on file):

Payment Address: _____

DETAILED CHART ON FOLLOWING PAGE(s)

Supporting Documents: If you are a trade creditor, vendor, employee, taxing authority or other claimant, you are required to provide sufficient documentation supporting your claim; claims submitted without sufficient supporting documentation may be disallowed. Please send copies only and retain your original records; original materials provided to the Monitor will not be returned to you. Upon completion, be sure to keep a copy of your completed claim form and proof of mailing. Please send all documentation to: E3 Advisors, Attn: ANI Claims Process Administrator, 501 West Broadway, Suite 290, San Diego, CA 92101. If the Receiver has questions or needs further information, her office will contact you.

Date Stamped Copy: To receive an acknowledgement of the filing of your Claim Certification Form, please enclose a stamped, self-addressed envelope and an additional copy of this Claim Certification Form.

Signature: Sign and print the name and title, if any, of the claimant or other person authorized to file this claim (attach copy of power of attorney, death certificate, trust beneficiary, or other documents as needed). **YOU MUST PROVIDE AN ORIGINAL SIGNATURE.**

PLEASE NOTE that we cannot provide you with tax or legal advice relating to your claim. If you have concerns about the tax or legal implications of your claim, please contact an attorney or your tax advisor.

By Signing My/Our Name Below, I/We Acknowledge and Affirm that: I/we will supplement this Proof of Claim Form if any information given later becomes inaccurate or incomplete; I/we am/are a creditor of the Receivership Entities; I/we hereby affirm that the answers provided herein are truthful; and that I/we understand that this Proof of Claim is submitted under penalty of perjury.

Date: December 17, 2021

Signature:  Name: Ethan T. Boyer

Title (if any) Managing Partner

Signature: _____ Name: _____

Title (if any) _____

Signature: _____ Name: _____

Title (if any) _____



701 Island Avenue, Suite 400
 San Diego, CA 92101
 Phone: 619-780-0880
 EIN:
 noonanlance.com

Statement of Account

Krista L. Freitag
 c/o Ted G. Fates, Esq.
 Allen Matkins
 600 West Broadway, 27th Floor
 San Diego, CA 92101

11/05/2021

Date	Activity	Due Date	Invoice Amount	Balance
09/05/2019	Remaining Balance on invoice #1612			\$5,262.15
09/11/2019	Invoice #1651	09/11/2019	\$25,251.25	\$30,513.40
10/08/2019	Invoice #1694	10/08/2019	\$3,028.50	\$33,541.90
11/08/2019	Invoice #1721	11/08/2019	\$1,382.50	\$34,924.40
12/05/2019	Invoice #1782	12/05/2019	\$357.50	\$35,281.90
01/10/2020	Invoice #1824	01/10/2020	\$65.00	\$35,346.90
02/09/2020	Invoice #1866	02/09/2020	\$1,875.00	\$37,221.90
Balance Due:				\$37,221.90
Overdue Balance:				\$37,221.90

Please make all amounts payable to: Noonan Lance Boyer & Banach LLP

ACH & Wire Instructions:

Bank Name & Address: US Bank, 600 West Broadway, Suite 1225, San Diego, CA 92101-3311
 Routing No.
 Account No.
 Swift (Int'l):

NoonanLance

Noonan Lance Boyer & Banach LLP

701 Island Avenue, Suite 400
San Diego, CA 92101
Phone: 619-780-0880
EIN:
noonanlance.com

INVOICE

Invoice # 1651
Date: 09/11/2019
Due Upon Receipt

Krista L. Freitag
c/o Ted G. Fates, Esq.
Allen Matkins
600 West Broadway, 27th Floor
San Diego, CA 92101

N2008.01 - ANI/Gina Champion-Cain: Westlink v. SunTrust Bank

Westlink Development Company, LLC v. Sun Trust Banks, Inc.

Services

Date	Attorney	Notes	Hours	Rate	Total
08/01/2019	PSH	REVIEW SUNTRUST'S PRODUCTION AND RESPONSES TO DISCOVERY TO GATHER INFORMATION RE PRODUCTION ISSUES TO BE ADDED TO MOTION FOR TERMINATING SANCTIONS; DOWNLOAD AND ORGANIZE DOCUMENTS TO BE ATTACHED TO BANACH'S AFFIDAVIT IN SUPPORT OF MOTION FOR SANCTIONS; UPDATE SUNTRUST'S PRODUCTION LOG TO BE ATTACHED AS EXHIBIT; ANALYSIS OF PRODUCTION LOG PREPARED BY SUNTRUST BANK AND COMPARE TO OUR IN-HOUSE LOG FOR DISCREPANCIES	5.30	\$135.00	\$715.50
08/01/2019	MPB	EMAIL CORRESPONDENCE WITH B. ELGIDELY RE HEARING ON MOTION FOR STAY	0.10	\$325.00	\$32.50
08/02/2019	PSH	REVIEW SUNTRUST'S PRODUCTION FOR DOCUMENTS RE FARIDA NATHANI AND DANA PARKES IN PREPARATION FOR DEPOSITIONS; REVIEW HANDWRITTEN WITHDRAWALS PREPARED BY NATHANI OR PARKES FOR ALL CONDO ACCOUNTS TO GATHER SAME FOR DEPOSITIONS	4.70	\$135.00	\$507.60
08/04/2019	JRL	REVIEW INFORMATION REGARDING INVESTMENTS OF JAMES VARGAS IN COSMO SQUARE PROJECT RE POTENTIAL SETTLEMENT OF HIS CLAIM; EMAIL TO GINA RE SAME.	0.70	\$350.00	\$245.00
08/05/2019	JRL	WORK ON SETTLEMENT AGREEMENT FOR JAMES VARGAS	1.40	\$350.00	\$490.00

		REGARDING HIS INVESTMENT IN COSMO SQUARE PROJECT; PREPARE DRAFT SETTLEMENT AGREEMENT AND EMAIL TO GINA FOR REVIEW AND COMMENT			
08/07/2019	JRL	TELEPHONE CALL WITH GINA RE POTENTIAL SETTLEMENT OF COSMO SQUARE CLAIM OF JAMES VARGAS	0.50	\$350.00	\$175.00
08/08/2019	RKP	EXCHANGE EMAILS WITH B. ELGIDELI RE STATUS OF SUNTRUST'S MOTION FOR STAY AND RELATED DEADLINES.	0.10	\$265.00	\$26.50
08/12/2019	MPB	REVIEW CORRESPONDENCE BETWEEN JUDGE BAIRD AND COUNSEL RE DISCOVERY ISSUES; EMAIL CORRESPONDENCE TO BOB ELGIDELY RE SANCTIONS AND RESPONSE TO SUNTRUST LETTER; EMAIL CORRESPONDENCE WITH L. BAIO	0.80	\$325.00	\$260.00
08/16/2019	MPB	RECEIVE AND REVIEW LETTER FROM L. BAIO TO JUDGE BAIRD RE SAR PRIVILEGE; EMAIL CORRESPONDENCE RE SAME; MULTIPLE EMAIL CORRESPONDENCE WITH BOB ELGIDELY RE SANCTIONS, SUBPOENAS; EMAIL CORRESPONDENCE TO OPPOSING COUNSEL RE SANCTIONS; EMAIL CORRESPONDENCE WITH CLIENT; STRATEGIZE RE HEMANI DEPOSITION AND DOCUMENTS TO REQUEST	1.50	\$325.00	\$487.50
08/16/2019	PSH	REVIEW EMAILS; REVIEW LETTER WITH ATTACHMENTS TO JUDGE BAIRD RE SAR PRIVILEGE ISSUE; REVIEW FLORIDA SUBPOENA SAMPLE AND PREPARE DRAFT SUBPOENA TO SUL HEMANI; PREPARE DRAFT REQUEST FOR DOCUMENTS TO SUL HEMANI	1.90	\$135.00	\$256.50
08/16/2019	JRL	STRATEGIZE RE SANCTIONS AGAINST SUNTRUST	0.80	\$350.00	\$280.00
08/19/2019	SKN	MEETING WITH ATTORNEY BANACH RE UPCOMING TASKS	0.50	\$135.00	\$67.50
08/19/2019	SKN	REVIEW DOCUMENTS PRODUCED BY SUNTRUST ON 8/12/19; UPDATE PRODUCTION INDEX AND TIMELINE OF KEY EVENTS; REVIEW AND UPDATE LIST OF CONDO/BBDA ACCOUNTS. DRAFT EMAIL TO ATTORNEY BANACH RE VERSION OF POLICY PRODUCED WITHOUT PREVIOUS REDACTIONS.	4.20	\$135.00	\$567.00
08/19/2019	MPB	EMAIL CORRESPONDENCE WITH BOB ELGIDELY AND DAVID HENDRIX; STRATEGIZE RE SAME; DISCUSSION WITH P. HOFFMAN AND S. NOONAN RE DISCOVERY TASKS; REVIEW P. HOFFMAN'S SUMMARY OF DOCUMENTS RECENTLY PRODUCED BY SUNTRUST	1.10	\$325.00	\$357.50
08/19/2019	PSH	REVIEW EMAILS; STRATEGIZE RE UPCOMING TASKS; PREPARE NOTICE OF DEPOSITION AND CROSS NOTICE OF DEPOSITION TO SUL HEMANIN; MAKE EDITS TO DOCUMENT REQUEST TO HEMANI; REVIEW AND ANALYSIS OF SUNTRUST'S SUPPLEMENTAL PRODUCTION OF DOCUMENT AND PREPARE SUMMARY OF SAME; REVIEW ATTORNEY HENDRIX RESPONSE TO MEET AND CONFER LETTERS; PREPARE LIST OF DOCUMENTS THAT ARE STILL MISSING BASED ON MEET AND CONFER LETTERS; PREPARE TRANSMITTAL OF SUPPLEMENTAL PRODUCTION TO EXPERT GUIGLIERI UPDATE WITNESS FILES AND LOG	5.70	\$135.00	\$692.55
08/20/2019	PSH	REVIEW EMAILS; REVIEW DATABASE FOR DOCUMENTS RE CONDO/DUPONT ACCOUNT ENDING 9996 IN PREPARATION FOR RESPONSE TO SUNTRUST'S LETTER RE DISCOVERY ISSUES; REVIEW UNREDACTED VERSION OF SAR INFORMATION PRODUCED BY SUNTRUST; MAKE EDITS TO	2.10	\$135.00	\$283.50

NOTICE OF DEPOSITION AND SUBPOENA TO SUL HEMANI					
08/20/2019	MPB	REVISE HEMANI DEPO NOTICE AND SUBPOENA	0.20	\$325.00	\$65.00
08/20/2019	SKN	REVIEW HEMANI DEPO NOTICE FOR DOCUMENTS REQUESTED; RESEARCH ADDRESS FOR SUBPOENA; REVIEW RECENTLY PRODUCED VERSION OF SUNTRUST'S KYC/CIP PROCEDURES AND PREPARE EMAIL TO ATTORNEY BANACH RE SAME. REVIEW DRAFT REPORT FROM EXPERT.	2.50	\$135.00	\$337.50
08/20/2019	JRL	REVISE DRAFT SETTLEMENT AGREEMENT FOR JAMES VARGAS RE POTENTIAL SETTLEMENT OF HIS CLAIMS RE COSMO SQUARE; EMAILS WITH GINA RE SAME; PREPARE EMAIL TO JAMES VARGAS FORWARDING DRAFT SETTLEMENT AGREEMENT AND REQUESTING HE CALL TO DISCUSS	1.40	\$350.00	\$490.00
08/21/2019	SKN	REVIEW MAGISTRATE'S REPORT RE IN CAMERA REVIEW OF DOCUMENTS REDACTED BY SUNTRUST; REVIEW DOCUMENTS AND REDACTIONS; DRAFT EMAIL TO ATTORNEY BANACH RE SAME. REVIEW SUNTRUST DOCUMENTS FOR POLICIES RE OBTAINING AUTHORIZATION FOR CASH TRANSFERS; CONFER WITH P. HOFFMAN RE SAME. REVIEW DRAFT OF EXPERT REPORT.	4.40	\$135.00	\$534.60
08/21/2019	PSH	REVIEW EMAILS; REVIEW JUDGE BAIRD'S RECOMMENDATION AND REPORT; REVIEW SUNTRUST POLICIES RELATED TO BANK TRANSFERS FOR MAXIMUM DAILY AMOUNT WITHOUT CLIENT'S WRITTEN AUTHORIZATION TO GATHER DOCUMENTS IN PREPARATION FOR HEMANI'S DEPOSITION; CONFER WITH S. NOONAN RE SAME	2.80	\$135.00	\$378.00
08/22/2019	PSH	REVIEW FILES AND EXPERT REPORT TO GATHER ADDITIONAL MATERIALS FOR HEMANI'S DEPOSITION; CONFER WITH ATTORNEY BANACH RE UPCOMING DEPOSITIONS AND PREPARATION FOR SAME; EMAIL DOCUMENTS TO EXPERT GUIGLIERI FOR REVIEW; PREPARE DEPOSITION SUBPOENA TO HEMANI FOR DAY 2; REVIEW EMAILS; PREPARE DEPOSITION SUBPOENA TO BANK EMPLOYEES DANA PARKES AND FARIDA NATHANI; RESEARCH INTERNET AND REVIEW FILES TO GATHER KEY DOCUMENTS FOR DEPOSITIONS OF NATHANI AND PARKES	4.20	\$135.00	\$567.00
08/22/2019	MPB	CONTINUE TO REVISE DEPOSITION NOTICE AND SUBPOENA FOR HEMANI FOR TWO DAYS, INCLUDING LIST OF REQUESTED DOCUMENTS; EMAIL CORRESPONDENCE WITH OPPOSING COUNSEL; EMAIL CORRESPONDENCE WITH BOB ELGIDELY; PREPARE FOR HEMANI DEPOSITION BY WORKING ON OUTLINE, REVIEWING INVESTIGATION AND OTHER HEMANI DOCUMENTS, AND TIMELINE OF KEY EVENTS; DISCUSSION WITH PARALEGAL HOFFMAN RE ANY OTHER DOCUMENTS WE ARE MISSING; REVIEW S. NOONAN'S ANALYSIS OF NEWLY PRODUCED DOCUMENTS; ONLINE HEMANI RESEARCH	4.30	\$325.00	\$1,397.50
08/22/2019	SKN	CONTINUE REVIEW OF EXPERT'S DRAFT REPORT; REVIEW SUNTRUST AML POLICIES FOR "STAMP" REFERENCES; REVIEW SUNTRUST POLICIES TO DETERMINE PROCESS LEADING UP TO OPENING OF A FIU CASE INVESTIGATION	2.70	\$135.00	\$364.50
08/22/2019	JRL	STRATEGIZE RE HEMANI DEPOSITION AND DEPOSITIONS OF SUNTRUST FORMER EMPLOYEES FARIDA NATHANI AND DANA PARKES	0.70	\$350.00	\$245.00

08/23/2019	PSH	PREPARE REDLINED VERSION OF SUNTRUST'S PRODUCTION LOG NOTING DISCREPANCIES IN PREPARATION FOR MOTION FOR SANCTIONS; REVIEW EMAILS; MAKE EDITS TO DEPOSITION SUBPOENAS TO PARKES AND NATHANI; PREPARE DEPOSITION SUBPOENA TO JASON STIFF; RESEARCH ONLINE FOR INFORMATION RE STIFF; REVIEW SUNTRUST'S PRODUCTION FOR KEY DOCUMENTS RE STIFF IN PREPARATION FOR DEPOSITION; MAKE ADDITIONAL ENTRIES TO TIMELINE OF BBDA ACCOUNT ACTIVITIES	5.40	\$135.00	\$729.00
08/23/2019	JRL	STRATEGIZE RE HEMANI DEPOSITION	0.40	\$350.00	\$140.00
08/23/2019	MPB	STRATEGIZE RE DEPOSING JASON STIFF AND EFFORTS TO LOCATE HIM; REVIEW HEMANI BACKGROUND INVESTIGATION DOCUMENTS; TELEPHONE CALL FROM CATHY GHIGLIERI; DISCUSSION WITH PARALEGAL HOFFMAN RE PREPARING SUBPOENAS AND DEPOSITION NOTICES	1.30	\$325.00	\$422.50
08/23/2019	SKN	REVIEW UPDATED DRAFT OF SANCTIONS MOTION	1.50	\$135.00	\$162.00
08/26/2019	MPB	STRATEGIZE RE DEPOSITIONS; PREPARE AND REVISE DEPOSITION NOTICES AND SUBPOENAS FOR HEMANI, NATHANI, PARKES; PREPARE COVER LETTERS FOR EACH; RESEARCH WITNESS FEES IN FLORIDA; EMAIL AND TELEPHONE CORRESPONDENCE WITH BOB ELGIDELY; TELEPHONE CALL WITH CATHY GHIGLIERI; REVIEW STATUS OF 2007 BANK DOCUMENT PRODUCTION; CONTINUE PREPARING OUTLINE FOR SUL HEMANI DEPOSITION AND REVIEWING DOCUMENTS TO USE AT HIS DEPOSITION	5.20	\$325.00	\$1,690.00
08/26/2019	SKN	RESEARCH KOSTANTINOS TZANAVARAS AND HIS RELATIONSHIP TO CONDO ENTITIES AND/OR HEMANI	4.10	\$135.00	\$553.50
08/26/2019	PSH	REVIEW EMAILS; STRATEGIZE RE UPCOMING DEPOSITIONS; REVIEW AND ANALYSIS OF SUNTRUST DOCUMENT PRODUCTION TO GATHER ADDITIONAL KEY DOCUMENTS FOR DEPOSITIONS OF HEMANI; NATHANI AND PARKES; MAKE REVISIONS TO DEPOSITION NOTICES TO PARKES AND NATHANI; TELEPHONE CALL TO ATTORNEY SERVICE IN TAMPA RE SERVICE OF SUBPOENAS AND WITNESS FEES; CALCULATE FEES FOR EACH WITNESS; MAKE ADDITIONAL EDITS TO NOTICES FOR DEPOSITIONS AND DOCUMENT REQUESTS	6.80	\$135.00	\$734.40
08/26/2019	JRL	TELEPHONE CALL FROM JAMES VARGAS TO DISCUSS POTENTIAL SETTLEMENT OF CLAIMS	0.50	\$350.00	\$175.00
08/27/2019	MPB	FINALIZE SUBPOENAS AND DEPOSITION NOTICES FOR HEMANI, PARKES, AND NATHANI; EMAIL CORRESPONDENCE WITH BOB ELGIDELY; CONTINUE TO WORK ON PREPARATION FOR HEMANI AND PARKES DEPOSITIONS	6.80	\$325.00	\$2,210.00
08/27/2019	PSH	REVIEW EMAILS; ORGANIZE AND PREPARE PACKET WITH SUBPOENAS AND NOTICES OF DEPOSITIONS TO HEMANI, NATHANI, PARKER AND PREPARE TRANSMITTAL OF SAME TO ATTORNEY SERVICE IN TAMPA FOR SERVICE; ANALYSIS OF CENTURY BANCORPORATION ACCOUNT STATEMENTS RECENTLY PRODUCED BY SUNTRUST TO MAKE SUMMARY OF ACCOUNT USE; MAKE REVISIONS TO SUMMARY OF ACCOUNTS; REVIEW DATABASE TO GATHER ADDITIONAL DOCUMENTS FOR HEMANI'S DEPOSITION	6.30	\$135.00	\$850.50

08/27/2019	SKN	CONTINUE REVIEW AND PREPARATION FOR UPCOMING DEPOSTIONS OF HEMANI, NATHANI AND PARKES	3.40	\$135.00	\$459.00
08/28/2019	PSH	REVIEW AND RESPOND TO EMAILS; RECEIVE AND REVIEW PROOF OF SERVICE OF SUBPOENAS ON HEMANI, NATHANI AND PARKES AND UPDATE WITNESS FILES WITH SAME; REVIEW INVOICE RE SUBPOENA SERVICES FOR ACCURACY AND PAYMENT; REVIEW BBDA ACCOUNT PROFILES AND OTHER ACCOUNT DOCUMENTS TO ORGANIZE SAME PER ACCOUNT NUMBER FOR HEMANT'S DEPOSITION; REVIEW DOCUMENTS AND MAKE EDITS TO TIMELINE OF BBDA EXPENDITURES	4.70	\$135.00	\$634.50
08/28/2019	MPB	EMAIL CORRESPONDENCE WITH BOB ELGIDELY; STRATEGIZE RE SPECIAL MAGISTRATE'S REPORT AND RECOMMENDATION, DEPOSITIONS; EMAIL CORRESPONDENCE WITH OPPOSING COUNSEL; CONTINUE DANA PARKES DEPOSITION OUTLINE; TELEPHONE CALL WITH FARIDA NATHANI	2.40	\$325.00	\$780.00
08/28/2019	SKN	REVIEW AND REVISE MOTION FOR TERMINATING SANCTIONS	3.50	\$135.00	\$330.75
08/28/2019	JRL	EMAILS WITH LOCAL COUNSEL ROBERT ELGIDELY RE SERVICE OF SUBPOENAS AND STRATEGY FOR DEPOSITIONS OF HEMANI, NATHANI AND PARKES; STRATEGIZE WIHT ATTORNEY BANACH RE SAME; WORK ON HEMANI DEPOSTION OUTLINE	0.80	\$350.00	\$280.00
08/29/2019	PSH	REVIEW AND RESPOND TO EMAILS; REVIEW SUNTRUST'S DOCUMENTS TO GATHER NOTES RE ACCOUNTS AND ORGANIZE SAME FOR REVIEW AND HEMANT'S DEPOSITION; REVIEW KEY ACCOUNT DOCUMENTS TO MAKE EDITS TO TIMELINE OF BBDA EXPENDITURES; REVIEW MOTION FOR SANCTIONS TO COMMENCE PREPARATION OF INDEX OF EXHIBITS IN SUPPORT THEREOF	3.10	\$135.00	\$418.50
08/29/2019	MPB	CONTINUE PREPARING FOR UPCOMING DEPOSITIONS OF HEMANI, PARKES, NATHANI; TELEPHONE CALL WITH FARIDA NATHANI; EMAIL CORRESPONDENCE WITH TEAM	5.80	\$325.00	\$1,885.00
08/29/2019	SKN	REVIEW AND REVISE MOTION FOR TERMINATING SANCTIONS; REVIEW ACCOUNT OPENING INFORMATION SUNTRUST OBTAINED FOR EACH ACCOUNT; COMPARE TO INFORMATION FILED WITH STATE; COMPILE DOCS AND PREPARE NOTES RE SAME FOR DEPOSITION PREP	4.60	\$135.00	\$372.60
08/30/2019	PSH	REVIEW EMAILS; STRATEGIZE WITH BANACH RE PREPARATION FOR UPCOMING DEPOSITIONS; REVIEW MOTION FOR SANCTIONS TO GATHER ADDITIONAL EXHIBITS AND PREPARE INDEX OF EXHIBITS IN SUPPORT THEREOF	3.20	\$135.00	\$432.00
08/30/2019	MPB	PREPARE OUTLINE FOR FARIDA NATHANI DEPOSITION; ORGANIZE DOCUMENTS FOR HEMANI DEPOSITION	1.10	\$325.00	\$357.50

Line Item Discount Subtotal -~~\$877.50~~

Services Subtotal \$23,440.00

Expenses

Date	Notes	Rate	Total
08/01/2019	ANTHEM REPORTER - RE COURT REPORTER AT TWO HEARINGS ON JULY 22, 2019 (FLORIDA)	\$482.45	\$482.45
08/01/2019	VERITEXT - COURT REPORTER RE DEPOSITION OF FRANK PARKER TAKEN APRIL 30, 2019	\$688.80	\$688.80
08/27/2019	ATA PROCESS LLC - SERVICE OF PROCESS OF DEPOSITION SUBPOENA ON DANA PARKES	\$132.00	\$132.00
08/27/2019	ATA PROCESS LLC - SERVICE OF PROCESS OF DEPOSITION SUBPOENA ON FARIDA NATHANI	\$94.00	\$94.00
08/27/2019	ATA PROCESS LLC - SERVICE OF PROCESS OF DEPOSITION SUBPOENA ON SUL HEMANI	\$94.00	\$94.00
08/28/2019	ATA PROCESS LLC - INVOICE FROM ATTORNEY SERVICE IN FLORIDA FOR SERVICE OF SUBPOENAS ON HEMAN, NATHANI AND PARKES	\$320.00	\$320.00
Expenses Subtotal			\$1,811.25

Time Keeper	Hours	Rate	Discount	Total
Micaela Banach	30.6	\$325.00	-	\$9,945.00
James Lance	7.2	\$350.00	-	\$2,520.00
Sara Noonan	31.4	\$135.00	-\$490.05	\$3,748.95
Robert Peck	0.1	\$265.00	-	\$26.50
Patricia Hoffman	56.2	\$135.00	-\$387.45	\$7,199.55
			Subtotal	\$25,251.25
			Total	\$25,251.25

Please make all amounts payable to: Noonan Lance Boyer & Banach LLP

ACH & Wire Instructions:

Bank Name & Address: US Bank, 600 West Broadway, Suite 1225, San Diego, CA 92101-3311

Routing No.:

Account No.:

Swift (Int'l):

Payment is due upon receipt.

NoonanLance

Noonan Lance Boyer & Banach LLP

701 Island Avenue, Suite 400
San Diego, CA 92101
Phone: 619-780-0880
EIN:
noonanlance.com

INVOICE

Invoice # 1694
Date: 10/08/2019
Due Upon Receipt

Krista L. Freitag
c/o Ted G. Fates, Esq.
Allen Matkins
600 West Broadway, 27th Floor
San Diego, CA 92101

N2008.01 - ANI/Gina Champion-Cain: Westlink v. SunTrust Bank

Westlink Development Company, LLC v. Sun Trust Banks, Inc.

Date	Attorney	Notes	Hours	Rate	Total
09/01/2019	JRL	EMAILS RE STRATEGY ON SUNTRUST CASE	0.20	\$350.00	\$70.00
09/03/2019	JRL	ANALYZE ISSUES RE HEMANI DEPOSITION AND STRATEGY GOING FORWARD IN SUNTRUST CASE	0.80	\$350.00	\$280.00
09/05/2019	MPB	EMAIL CORRESPONDENCE WITH BOB ELGIDELY RE DEPOSITIONS; EMAIL CORRESPONDENCE WITH CATHY GHIGLIERI	0.20	\$325.00	\$65.00
09/06/2019	MPB	CORRESPONDENCE WITH COUNSEL RE ENTRY OF REPORT & RECOMMENDATION, DEPOSITION TIMING, PRODUCTION OF DOCUMENTS; RECEIVE AND REVIEW SUNTRUST'S RESPONSE TO RFP (SET 7)	0.40	\$325.00	\$130.00
09/06/2019	JRL	EMAILS BETWEEN ATTORNEY LAUREN BAILO FROM GRAY ROBINSON RE PRODUCTION OF ADDITIONAL DOCUMENTS BY SUNTRUST AND ATTORNEY ELGIDELY; EMAILS WITH ATTORNEY FATES RE STRATEGY ON SUNTRUST CASE AND TO SCHEDULE A CONFERENCE CALL TO DISCUSS SAME	0.40	\$350.00	\$140.00
09/09/2019	JRL	REVISE STATUS SUMMARY ON SUNTRUST CASE REQUESTED BY ATTORNEY FATES	1.10	\$350.00	\$385.00
09/09/2019	JRL	TELEPHONE CALL WITH EXPERT CATHY GHIGLIERI RE STATUS AND STANDING DOWN UNTIL RECEIVER DECIDES WHETHER TO MOVE FORWARD	0.20	\$350.00	\$70.00
09/10/2019	JRL	EMAILS WITH ATTORNEYS FATES AND ZARO RE STRATEGY TO ADDRESS FACT THAT SUNTRUST WILL NOT CONTINUE	1.50	\$350.00	\$525.00

		HEMANI DEPOSITION AND PROPOSE STRATEGY RE SAME (.5); PREPARE BUDGET AT REQUEST OF ATTORNEY FATES FOR NLBB TRAVELING TO FLORIDA FOR (1) DEPOSITIONS OF HEMANI, NATHANI AND PARKES ON SEPTEMBER 18-20 OR (2) HEMANI ONLY ON SEPTEMBER 18-19 (.5); TELEPHONE CALL WITH ATTORNEYS FATES AND ZARO RE CASE AGAINST SUNTRUST(.5)			
09/11/2019	MPB	TELEPHONE AND EMAIL CORRESPONDENCE RE DEPOSITIONS NEXT WEEK; REVIEW AND REVISE NOTICES OF RESCHEDULING DEPOSITIONS; TELEPHONE CALL WITH FARIDA NATHANI RE CONTINUING DEPOSITION; RECEIVE EMAIL FROM OPPOSING COUNSEL RE FURTHER DOCUMENT PRODUCTION (DID NOT REVIEW THE PRODUCTION ITSELF)	0.80	\$325.00	\$260.00
09/11/2019	JRL	EMAILS WITH ATTORNEY ELGIDELY RE POTENTIAL STRATEGIES TO DEAL WITH SUNTRUST'S INTENT TO GO FORWARD WITH HEMANI DEPOSITION IN LIGHT OF RECEIVER'S GOALS TO PUT OFF HEMANI, NATHANI AND PARKES' DEPOSITIONS (.5); EMAILS WITH ATTORNEYS FATES AND ZARO RE STRATEGY TO ADDRESS FACT THAT SUNTRUST WILL NOT CONTINUE HEMANI DEPOSITION AND PROPOSE STRATEGY RE SAME (.4)	0.90	\$350.00	\$315.00
09/17/2019	PSH	REVIEW EMAILS; REVIEW DOCUMENTS PRODUCED BY SUNTRUST IN RESPONSE TO RFP #7 AND SAVE IN CLIENT FILES	0.40	\$135.00	\$54.00
09/18/2019	MPB	MULTIPLE EMAIL CORRESPONDENCE WITH BOB ELGIDELY, COUNSEL FOR HEMANI, AND OPPOSING COUNSEL RE DEPOSITIONS AND PRODUCTION OF DOCUMENTS	0.30	\$325.00	\$97.50
09/18/2019	PSH	REVIEW EMAILS; GATHER NOTICES OF DEPOSITION AND SUBPOENAS TO SUL HEMANI FOR TRANSMITTAL TO COUNSEL; RECEIVE AND REVIEW REPLACEMENT SUNTRUST PRODUCTION OF AML DOCUMENTS; DELETE PREVIOUS PRODUCTION FROM CLIENT DATABASE AND FILES PER OPPOSING COUNSEL'S REQUEST; EMAIL RE STATUS OF SAME	0.70	\$135.00	\$94.50
09/18/2019	JRL	EMAILS FROM ATTORNEY HENDRIX (SUNTRUST) AND ATTORNEY ELGIDELY RE HEMANI DEPOSITION AND ADDITIONAL DATES FOR HIS SECOND DEPOSITION, AND STRATEGIZE RE SAME	0.40	\$350.00	\$140.00
09/23/2019	MPB	REVIEW EMAIL CORRESPONDENCE FROM EXPERT CATHY GHIGLIERI; EMAIL CORRESPONDENCE WITH BOB ELGIDELY	0.20	\$325.00	\$65.00
09/24/2019	MPB	TELEPHONE CALL WITH BOB ELGIDELY RE STATUS AFTER HEMANI DEPOSITION	0.50	\$325.00	\$162.50
09/24/2019	JRL	TELEPHONE CALL WITH ATTORNEY EGLIDELY RE HEMANI DEPOSITION, STATEMENTS BY SUNTRUST ATTORNEY REGARDING UPCOMING DISCOVERY	0.50	\$350.00	\$175.00

Time Keeper	Hours	Rate	Total
Micaela Banach	2.4	\$325.00	\$780.00
James Lance	6.0	\$350.00	\$2,100.00
Patricia Hoffman	1.1	\$135.00	\$148.50

Subtotal	\$3,028.50
Total	\$3,028.50

Please make all amounts payable to: Noonan Lance Boyer & Banach LLP

ACH & Wire Instructions:

Bank Name & Address: US Bank, 600 West Broadway, Suite 1225, San Diego, CA 92101-3311

Routing No.:

Account No.:

Swift (Int'l): I

Payment is due upon receipt.

NoonanLance

Noonan Lance Boyer & Banach LLP

701 Island Avenue, Suite 400
San Diego, CA 92101
Phone: 619-780-0880
EIN:
noonanlance.com

INVOICE

Invoice # 1721
Date: 11/08/2019
Due Upon Receipt

Krista L. Freitag
c/o Ted G. Fates, Esq.
Allen Matkins
600 West Broadway, 27th Floor
San Diego, CA 92101

N2008.01 - ANI/Gina Champion-Cain: Westlink v. SunTrust Bank

Westlink Development Company, LLC v. Sun Trust Banks, Inc.

Date	Attorney	Notes	Hours	Rate	Total
10/15/2019	JRL	CONFERENCE CALL WITH ATTORNEY ELGIDELY AND BANACH RE ELGIDELY CHANGING LAW FIRMS AND STRATEGY IN LIGHT OF SAME; EMAIL TO ATTORNEY FATES RE SAME; TELEPHONE CALL WITH ATTORNEY FATES RE SAME AND ROLE OF PETER BOERMEESTER	1.20	\$350.00	\$420.00
10/15/2019	MPB	CONFERENCE CALL WITH ATTORNEYS LANCE AND ELGIDELY RE STATUS OF CASE, ELGIDELY CHANGING LAW FIRMS, STRATEGY MOVING FORWARD	1.00	\$325.00	\$325.00
10/17/2019	JRL	PREPARE FOR AND ATTEND CONFERENCE CALL WITH ATTORNEYS FATES, ZARO, ELGIDELY AND BANACH RE ELGIDELY CHANGING LAW FIRMS AND STRATEGY IN LIGHT OF SAME	0.80	\$350.00	\$280.00
10/17/2019	MPB	CONFERENCE CALL WITH ATTORNEYS LANCE, FATES, ZARO AND ELGIDELY RE SATTUS OF CASE AND STRATEGY IN LIGHT OF ELGIDELY CHANGING LAW FIRMS	0.60	\$325.00	\$195.00
10/21/2019	MPB	EMAIL CORRESPONDENCE WITH ATTORNEYS ELGIDELY AND FRIEDMAN RE ANALYSIS OF PLAINTIFFS' DAMAGES AND SENDING COPIES OF DISCOVERY RESPONSES	0.50	\$325.00	\$162.50
Time Keeper			Hours	Rate	Total
Micaela Banach			2.1	\$325.00	\$682.50

James Lance	2.0	\$350.00	\$700.00
		Subtotal	\$1,382.50
		Total	\$1,382.50

Please make all amounts payable to: Noonan Lance Boyer & Banach LLP

ACH & Wire Instructions:

Bank Name & Address: US Bank, 600 West Broadway, Suite 1225, San Diego, CA 92101-3311

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Noonan Lance Boyer & Banach LLP

701 Island Avenue, Suite 400
San Diego, CA 92101
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EIN
noonanlance.com

INVOICE

Invoice # 1782
Date: 12/05/2019
Due Upon Receipt

Krista L. Freitag
c/o Ted G. Fates, Esq.
Allen Matkins
600 West Broadway, 27th Floor
San Diego, CA 92101

N2008.01 - ANI/Gina Champion-Cain: Westlink v. SunTrust Bank

Westlink Development Company, LLC v. Sun Trust Banks, Inc.

Date	Attorney	Notes	Hours	Rate	Total
11/05/2019	MPB	TELEPHONE AND EMAIL CORRESPONDENCE WITH POTENTIAL CONTINGENT FEE ATTORNEY MICHAEL FRIEDMAN	0.70	\$325.00	\$227.50
11/13/2019	MPB	CORRESPONDENCE WITH POTENTIAL CONTINGENT FEE ATTORNEY MIKE FRIEDMAN RE CASE	0.40	\$325.00	\$130.00
Time Keeper			Hours	Rate	Total
Micaela Banach			1.1	\$325.00	\$357.50
				Subtotal	\$357.50
				Total	\$357.50

Please make all amounts payable to: Noonan Lance Boyer & Banach LLP

ACH & Wire Instructions:

Bank Name & Address: US Bank, 600 West Broadway, Suite 1225, San Diego, CA 92101-3311
Routing No.:
Account No.:
Swift (Int'l):

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NoonanLance

Noonan Lance Boyer & Banach LLP

701 Island Avenue, Suite 400
San Diego, CA 92101
Phone: 619-780-0880
EIN: ;
noonanlance.com

INVOICE

Invoice # 1824
Date: 01/10/2020
Due Upon Receipt

Krista L. Freitag
c/o Ted G. Fates, Esq.
Allen Matkins
600 West Broadway, 27th Floor
San Diego, CA 92101

N2008.01 - ANI/Gina Champion-Cain: Westlink v. SunTrust Bank

Westlink Development Company, LLC v. Sun Trust Banks, Inc.

Date	Attorney	Notes	Hours	Rate	Total
12/02/2019	MPB	EMAIL CORRESPONDENCE WITH ATTORNEY MICHAEL FRIEDMAN	0.20	\$325.00	\$65.00

Time Keeper	Hours	Rate	Total
Micaela Banach	0.2	\$325.00	\$65.00
Subtotal			\$65.00
Total			\$65.00

Please make all amounts payable to: Noonan Lance Boyer & Banach LLP

ACH & Wire Instructions:

Bank Name & Address: US Bank, 600 West Broadway, Suite 1225, San Diego, CA 92101-3311
Routing No.:
Account No.:
Swift (Int'l):¹

Payment is due upon receipt.

NoonanLance

Noonan Lance Boyer & Banach LLP

701 Island Avenue, Suite 400
San Diego, CA 92101
Phone: 619-780-0880
EIN:
noonanlance.com

INVOICE

Invoice # 1866
Date: 02/09/2020
Due Upon Receipt

Krista L. Freitag
c/o Ted G. Fates, Esq.
Allen Matkins
600 West Broadway, 27th Floor
San Diego, CA 92101

N2008.01 - ANI/Gina Champion-Cain: Westlink v. SunTrust Bank

Westlink Development Company, LLC v. Sun Trust Banks, Inc.

Date	Attorney	Notes	Hours	Rate	Total
01/09/2020	MPB	EMAIL TO RECEIVER'S ATTORNEYS RE STATUS FOR PROCEEDING; EMAIL AND TELEPHONE CORRESPONDENCE WITH ATTORNEY KIEFNER RE RETENTION OF ORIGINAL CLIENT FILES	0.50	\$325.00	\$162.50
01/10/2020	MPB	RECEIVE AND BRIEF REVIEW OF MSJ; EMAIL CORRESPONDENCE TO ATTORNEYS FATES, ZARO AND FRIEDMAN RE SAME	0.50	\$325.00	\$162.50
01/10/2020	PSH	REVIEW SUNTRUST BANK'S MOTION FOR SUMMARY JUDGEMENT	0.40	\$135.00	\$54.00
01/13/2020	MPB	TELEPHONE CALL WITH TED FATES; EMAIL CORRESPONDENCE WITH MICHAEL FRIEDMAN	0.40	\$325.00	\$130.00
01/14/2020	MPB	STRATEGIZE RE DOCUMENTS AND INFORMATION TO PROVIDE TO ATTORNEY FRIEDMAN; GATHER AND ORGANIZE SAME; MULTIPLE EMAIL CORRESPONDENCE TO ATTORNEY FRIEDMAN RE TRANSFER OF FILE	2.00	\$325.00	\$650.00
01/14/2020	PSH	REVIEW EMAILS; REVIEW CLIENT FILES TO GATHER HARD COPY DOCUMENTS FOR TRANSMITTAL TO ATTORNEY FRIEDMAN; PREPARE FLASH DRIVE WITH KEY DOCUMENTS FOR TRANSMITTAL TO FRIEDMAN	3.80	\$135.00	\$513.00
01/15/2020	MPB	EMAIL CORRESPONDENCE TO M. FRIEDMAN RE SENDING CLIENT FILE AND DOCUMENTS	0.10	\$325.00	\$32.50
01/17/2020	MPB	EMAIL CORRESPONDENCE WITH MICHAEL FRIEDMAN RE	0.10	\$325.00	\$32.50

TRANSFER OF FILES/DOCUMENTS					
01/22/2020	PSH	COORDINATE DELIVERY OF FILES TO ATTORNEY FRIEDMAN	0.30	\$135.00	\$40.50
01/29/2020	MPB	EMAIL CORRESPONDENCE TO MICHAEL FRIEDMAN RE DOCUMENTS AND SUBSTITUTING OUT AS COUNSEL OF RECORD	0.10	\$325.00	\$32.50
01/31/2020	MPB	EMAIL CORRESPONDENCE FROM ATTORNEY HENDRIX'S OFFICE RE SCHEDULING MSJ; EMAIL CORRESPONDENCE TO ATTORNEY FRIEDMAN AND TED FATES RE SAME	0.20	\$325.00	\$65.00

Time Keeper	Hours	Rate	Total
Micaela Banach	3.9	\$325.00	\$1,267.50
Patricia Hoffman	4.5	\$135.00	\$607.50
		Subtotal	\$1,875.00
		Total	\$1,875.00

Please make all amounts payable to: Noonan Lance Boyer & Banach LLP

ACH & Wire Instructions:

Bank Name & Address: US Bank, 600 West Broadway, Suite 1225, San Diego, CA 92101-3311

Routing No.:

Account No.:

Swift (Int'l):

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
CASE NO. 3:19-cv-01628-LAB-AHG

TRADE CREDITOR PROOF
FORM

SECURITIES AND EXCHANGE COMMISSION
vs.
GINA CHAMPION-CAIN; ANI DEVELOPMENT, LLC;
DEFENDANTS
and
AMERICAN NATIONAL INVESTMENTS, INC.;
RELIEF DEFENDANT



THIS SPACE RESERVED FOR ADMINISTRATIVE
USE ONLY

**PLEASE READ THE ACCOMPANYING LETTER - INSTRUCTIONS BEFORE
COMPLETING THIS FORM, THIS FORM MUST BE COMPLETED AND
RETURNED ON OR BEFORE DECEMBER 31, 2021**

NAME AND ADDRESS OF CLAIMANT:

Noonan Lance
701 Island Ave. Suite 400
San Diego, CA 92101

The submission of a Trade Creditor and Tax Claim Form does not guarantee that you will receive a distribution of any amount. Each claim will be reviewed by the Receiver, and the Receiver will then make a recommendation to the United States District Court for the Southern District of California ("Court") to allow or disallow part or all of the claim. Claimants will receive notice and an opportunity to respond if the Receiver disagrees with the amount stated on their claim. For claims that are allowed, distributions will be made pursuant to a Court-approved distribution plan. The amount distributed will depend on the total amount of allowed claims, the total assets available for distribution, and the terms of the distribution plan.

In submitting your claim, please keep in mind that an allowed claim shall not include claims for interest, late fees, contract or other damages, legal fees incurred, contingent or unliquidated damages. Furthermore, only claims for actual services provided or materials delivered to the Receivership Entities prior to the receivership will be considered.

I am submitting a claim as an/a (must check only one box):

- ☐ Trade Creditor or Vendor
- ☐ Employee (if selected, must complete Section II and Section VII below)
- ☐ Tax Agency (State, Federal or local taxing authority)
- ☒ Other. If Other, provide explanation: Legal Services

☐ Check this box ONLY if your current address has changed and, if so, please print updated address here:

Updated Address: _____

Telephone No. of Claimant: 619-780-0880

Email Address of Claimant: eboyer@noonanlance.com

Tax I.D.: _____

Name as it should appear on distribution check:

Payee: Noonan Lance Boyer & Banach LLP

Payment Address (only IF different than address on file):

Payment Address: _____

DETAILED CHART ON FOLLOWING PAGE(s)

Please list and explain the amount of your claim and how the claim arose (use extra sheet if necessary) – YOU MUST ALSO PROVIDE COPIES OF ALL INVOICES, CONTRACTS, AND OTHER DOCUMENTATION SUPPORTING THIS CLAIM.

[illegible]

Supporting Documents: If you are a trade creditor, vendor, employee, taxing authority or other claimant, you are required to provide sufficient documentation supporting your claim; claims submitted without sufficient supporting documentation may be disallowed. Please send copies only and retain your original records; original materials provided to the Monitor will not be returned to you. Upon completion, be sure to keep a copy of your completed claim form and proof of mailing. Please send all documentation to: E3 Advisors, Attn: ANI Claims Process Administrator, 501 West Broadway, Suite 290, San Diego, CA 92101. If the Receiver has questions or needs further information, her office will contact you.

Date Stamped Copy: To receive an acknowledgement of the filing of your Claim Certification Form, please enclose a stamped, self-addressed envelope and an additional copy of this Claim Certification Form.

Signature: Sign and print the name and title, if any, of the claimant or other person authorized to file this claim (attach copy of power of attorney, death certificate, trust beneficiary, or other documents as needed). **YOU MUST PROVIDE AN ORIGINAL SIGNATURE.**

PLEASE NOTE that we cannot provide you with tax or legal advice relating to your claim. If you have concerns about the tax or legal implications of your claim, please contact an attorney or your tax advisor.

By Signing My/Our Name Below, I/We Acknowledge and Affirm that: I/we will supplement this Proof of Claim Form if any information given later becomes inaccurate or incomplete; I/we am/are a creditor of the Receivership Entities; I/we hereby affirm that the answers provided herein are truthful; and that I/we understand that this Proof of Claim is submitted under penalty of perjury.

Date: December 17, 2021

Signature:  Name: Ethan T. Boyer

Title (if any) Managing Partner

Signature: _____ Name: _____

Title (if any) _____

Signature: _____ Name: _____

Title (if any) _____



Investment Counselors & Advisors

Barbara E. Crena
Assistant to Ethan T. Boyer
bcrena@noonanlance.com
Direct Dial: (619) 557-4451

December 20, 2021

VIA FEDERAL EXPRESS

TO: Attn: ANI Claims Process Administrator
E3 Advisors
501 W. Broadway, Suite 290
San Diego, CA 2101

FROM: Barbara E. Crena
Assistant to Ethan T. Boyer

REGARDING: *Securities and Exchange Commission v. Champion-Cain, et al.*

ATTACHED Proof of Claim form by Claimant Noonan Lance Boyer & Banach LLP

- | | |
|---|--|
| <input type="checkbox"/> Your immediate response is required | <input type="checkbox"/> In accordance with your request |
| <input type="checkbox"/> Please sign and return originals | <input type="checkbox"/> Please complete |
| <input type="checkbox"/> For your files | <input type="checkbox"/> Please review |
| <input type="checkbox"/> Please acknowledge receipt | <input type="checkbox"/> Please sign |
| <input type="checkbox"/> Please handle | <input type="checkbox"/> Please Comment |
| <input type="checkbox"/> Please telephone me | <input type="checkbox"/> For your information |
| <input checked="" type="checkbox"/> Other – Also enclosed is an extra copy of the claim form with self-addressed, stamped envelope. Please return a “received” copy to this office in the envelope provided. Thank you. | |

Very truly yours,

A handwritten signature in blue ink that reads "Barbara E. Crena".

Barbara E. Crena
Assistant to Ethan T. Boyer

BEC:bec