

## JOINT VENTURE AGREEMENT

This JOINT VENTURE AGREEMENT ("Agreement"), made on September 24, 2013 by and between ULTRA HEALTH, LLC, an Arizona limited liability company whose principle place of business is located at 17015 N. Scottsdale Rd #125, Scottsdale, Arizona 85255 ("UH" ) and MACCAM, LLC an Arizona limited liability company whose principle place of business is located at 3931 E. Orchid Lane, Phoenix, Arizona 85044 ("MAC"). The parties are hereinafter sometimes referred to together as the "Joint Venturers" or the "Parties" and individually as a "Joint Venturer" or "Party."

WHEREAS, the Parties wish to establish a joint venture for the purpose of operating dispensary, cultivation, and commercial kitchen facilities pursuant to the rules and guidelines of the Arizona Medical Marijuana Act; and

WHEREAS, the Parties wish to enter into this Agreement to carry out the purpose of the joint venture and to define the respective rights and obligations of the Parties with respect to this joint venture.

NOW THEREFORE, in consideration of the mutual promises, covenants, warranties and conditions herein, the Joint Venturers agree as follows:

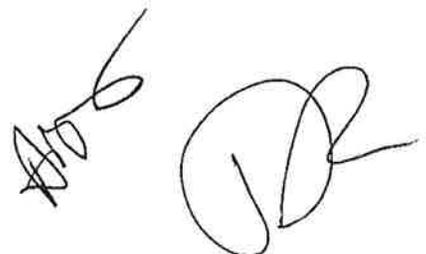
**Name.** The parties hereby form and establish a joint venture to be conducted under the name of ULTRA HEALTH, LLC, (hereinafter referred to as the "Joint Venture"). The Joint Venturers agree that the legal title to the Joint Venture property and assets, including the Joint Venture itself, shall remain in the name of the UH.

**Place of Business & Term.** The principal place of business of the Joint Venture shall be located at 17015 N. Scottsdale Rd #125, Scottsdale, Arizona 85255. The term of the Joint Venture shall commence on the execution date hereof and shall continue in perpetuity until mutual agreement to end the Joint Venture by the Joint Venturers.

**Purpose.** The Joint Venturers form this Joint Venture to operate dispensary, cultivation, and commercial kitchen facilities pursuant to the rules and guidelines set forth in the Arizona Medical Marijuana Act. To the extent set forth in this Agreement, each of the Joint Venturers shall own an undivided fractional part in the business.

**Capital.** Separate capital accounts shall be maintained for each Joint Venturer and shall consist of the sum of its contributions to the capital of the Joint Venture plus its share of the profits of the Joint Venture, less its share of any losses of the Joint Venture, and less any distributions to or withdrawals made by or attributed to it from the Joint Venture.

The contributions from each of the Joint Venturers, for the purpose of this Joint Venture, is as follows:



- (a) MAC hereby agrees to provide UH with a THIRTY (30) year loan worth THREE MILLION DOLLARS (\$3,000,000) at an EIGHT AND A HALF PERCENT (8.5%) interest rate (the "Loan") with respect to the Joint Venture as follows:
- a. Approximately THREE HUNDRED AND SEVENTY FIVE THOUSAND DOLLARS (\$375,000) will be used to fund UH's joint venture with Scan 4 Health, executed on September 15, 2013.
  - b. The remainder of the funding will be used to finance UH's purchase of a land in Chino Valley, AZ from JACK M. TULS, JR. as well as the non-performing note held by CHINO VALLEY PARTNERS, a general partnership having its principal offices at 160 West Canyon Crest Road, Alpine, Utah 84004.
  - c. The Joint Venturers agree that there will be no prepayment penalty on the Loan.
- (b) MAC also hereby agrees to provide the sum of TWO MILLION DOLLARS (\$2,000,000) in equity with respect to the Joint Venture due to UH according to the following tranche(s):
- a. FIVE HUNDRED THOUSAND DOLLARS (\$500,000) due immediately upon the execution of the Memorandum of Understanding between the Partners executed on the 5th day of September, 2013.
  - b. FIVE HUNDRED THOUSAND DOLLARS (\$500,000) due immediately upon the Safford dispensary location receiving its approval to operate ("ATO");
  - c. FIVE HUNDRED THOUSAND DOLLARS (\$500,000) due immediately upon the Gilbert dispensary location receiving its ATO; and
  - d. FIVE HUNDRED THOUSAND DOLLARS (\$500,000), due at any time, but no later than FORTY-FIVE (45) days after tranche (c) is due.
- (c) MAC and UH hereby agree that the funds shall be distributed according to the terms set forth above upon execution of this Agreement and UH shall manage said funds.

The Joint Venturers shall make such other capital contributions required to enable the Joint Venture to carry out its purposes as set forth herein as the Joint Venturers may mutually agree upon. The Joint Venturers shall arrange for or provide any financing as may be required by the Joint Venture for carrying out the purposes of the Joint Venture. The terms and conditions of all such loans shall be subject to prior approval of the Joint Venturers. The Joint Venturers shall endorse, assume, or guarantee such obligations of the Joint Venture as the Joint Venturers may mutually agree upon.



**Percentage Interest In The Joint Venture.** The respective percentage interest in the Joint Venture owned by each Joint Venturer, respectively, is as follows:

UH 51%  
MAC 49%

**Management and Delegation of Authority.** Management of the Joint Venture shall be conducted by the respective head officers/appointed representative of MAC and UH as laid out below:

- a. Duke Rodriguez shall represent the interest, authority, and decision making of UH.
- b. Alan Abrams shall represent the interest, authority, and decision making of MAC.

**Profits.** The net profits as they accrue for the term of this Agreement or so long as the Joint Venturers are the owners in common of the business interest, shall be distributed between the Joint Venturers, based on the respective percentage interest in the Joint Venture owned by each Joint Venturer as follows:

UH 50%  
MAC 50%

**Losses.** All losses and disbursements in acquiring, holding and protecting the business interest and the net profits shall, during the period of the venture, will be paid as follows:

UH 50%  
MAC 50%

**Expenses of Venture.** All losses and disbursements in acquiring, holding and protecting the business interest and the net profits shall, during the period of the venture, be paid by the Joint Venturers, in the ratio which the contribution of each Joint Venturer bears to the total contributions.

**Confidential Information.** "Confidential Information" means nonpublic information that (a) the disclosing Party designates as confidential, or (b) which, under the circumstances surrounding disclosure, ought to be treated as confidential. Confidential Information may include, without limitation, intellectual property rights, marketing materials, ideas, know-how, methods, formulae, processes, designs, apparatus, devices, techniques, systems, sketches, photographs, plans, drawings, specifications, studies, findings, data, reports, projections, plant and equipment expansion plans, lists or identities of employees, financial statements or other financial information, pricing information, cost and expense information, product development and marketing plans, information, procedures, notes, summaries, descriptions, results and the like.



**Intellectual Property Rights.** "Intellectual Property Rights" means any and all patent, copyright, trademark, trade secret, know-how, trade dress or other intellectual or industrial property rights or proprietary rights (including, without limitation, all claims and causes of action for infringement, misappropriation or violation thereof and all rights in any registrations, applications and renewals thereof), whether existing now or in the future, whether worldwide or in individual countries or political subdivisions thereof, or regions, including, without limitation, the United States.

**Treatment of Proprietary and Confidential Information.**

1. In connection with the performance of this Agreement, each Party contemplates the disclosure by it of certain Confidential Information to the other Party. Each Party considers its Confidential Information to be an asset of substantial commercial value, having been developed at considerable expense, but will disclose such information to the other Party under the terms and conditions of this Agreement.

(a) During the Term and continuing thereafter for TWO (2) years from the termination or expiration of the Agreement, the Party receiving Confidential Information ("Receiving Party") from the disclosing Party ("Disclosing Party") shall (i) treat all Confidential Information disclosed by the Disclosing Party as secret and confidential and shall not disclose all or any portion of the Confidential Information to any other Person, except as provided in section 1.(b), (ii) not use any of such Confidential Information except in the performance of the Receiving Party's covenants and obligations or otherwise as contemplated under this Agreement, and (iii) restrict access to Confidential Information to the Receiving Party's employees (including contractors, accountants and counsel and similar representatives) who have a need to know such information in connection with the performance of the Receiving Party's obligations and covenants under this Agreement and shall be responsible to ensure that such employees maintain the terms of confidentiality and nonuse as required in this Agreement.

(b) In the event that either Party desires to use a third party service provider ("Service Provider"), including, for example, an engineering design firm or a contract manufacturer, to develop or produce the Product using Technology or Technology Improvements, all Parties to this Agreement must first enter into at least an acceptable non-disclosure and technology ownership agreement with the Service Provider. Neither Party to this Agreement may disclose any Confidential Information to a Service Provider unless (i) both Parties to this Agreement have individually entered into a non-disclosure agreement with the Service Provider and (ii) the Service Provider has a presence in the United States and is able to be served legal documents in the United States or agrees, in writing, that it can be served and that United States Courts have personal jurisdiction over the Service Provider.

2. Notwithstanding anything to the contrary herein, Confidential Information shall not include any information that: (a) is presently in the Receiving Party's possession, provided that such

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information has not been obtained from the Disclosing Party and that such possession can be demonstrated by the Receiving Party's written records; (b) is, or becomes, generally available to the public through no act or omission of the Receiving Party; (c) is received by the Receiving Party in written form from a third party having no binding obligation to keep such information confidential; or (d) is required to be disclosed by law, upon the advice of legal counsel.

3. Specific Confidential Information shall not be deemed to be available to the public or in the possession of the Receiving Party merely because it is embraced by more general information so available or in said Receiving Party's possession, nor shall a combination or aggregation of features which form confidential information be deemed to be non-confidential merely because the individual features, without being combined or aggregated, are non-confidential.
4. Each of the Parties hereby agrees that all written or other tangible forms of Confidential Information (including any materials generated by the Receiving Party related to any Confidential Information) shall be and remain the property of its owner and shall be promptly returned to the owner upon the written request of the owner.
5. Neither the Agreement nor the disclosure of any information by the Disclosing Party shall be deemed to constitute by implication or otherwise, a vesting of any title or interest or a grant of any license, immunity or other right to the Receiving Party with regard to the Confidential Information. Additionally, except as expressly provided in this Agreement, the execution of the Agreement shall not operate, directly or indirectly, to grant to either Party any rights under any patent, trade secret or know-how now or hereafter owned by or licensed to the other Party.
6. Each Party warrants that it is the rightful owner of the Confidential Information to be disclosed under this Agreement and that it has the lawful right to make such disclosure.
7. In the event that the Receiving Party or any of its representatives are requested or required to disclose Confidential Information pursuant to a subpoena or an order of a court or government agency, the Receiving Party shall (a) promptly notify the Disclosing Party of the existence, terms and circumstances surrounding the governmental request or requirements; (b) consult with the Disclosing Party on the advisability of taking steps to resist or narrow the request; (c) if disclosure of Confidential Information is required, furnish only such portion of the Confidential Information as the Receiving Party is advised by counsel is legally required to be disclosed; and (d) cooperate with the Disclosing Party in its efforts to obtain an order or other reliable assurance that confidential treatment be accorded to that portion of the Confidential Information that is required to be disclosed.

Because money damages may not be a sufficient remedy for any breach of this Section of the Agreement by the Receiving Party, the Disclosing Party shall be entitled to seek equitable relief, including injunction and specific performance, as a remedy for any such breach of this Section. Such remedy shall not be deemed to be the exclusive remedy for a breach of this Section of the Agreement by the Receiving Party, but shall be in addition to all other remedies available

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at law or equity to the Disclosing Party. In the event of litigation relating to the Agreement, if a court of competent jurisdiction determines that the Receiving Party has breached this Section of the Agreement, then the Receiving Party shall be liable and pay to the Disclosing Party the reasonable attorneys' fees, court costs and other reasonable expenses of litigation, including any appeal therefrom. The Receiving Party further agrees to waive any requirement for the posting of a bond in connection with any such equitable relief.

**Indemnity.** Each Party agrees to defend, indemnify, and hold harmless the other Party and its officers, directors, agents, affiliates, distributors, representatives, and employees from any and all third party claims, and any and all claims related to this Joint Venture, demands, liabilities, costs and expenses, including reasonable attorneys fees, costs and expenses resulting from the indemnifying Party's material breach of any duty, representation, or warranty under this Agreement.

**Deadlock.** In the event the Joint Venturers are divided on a material issue and cannot agree on the conduct of the business and affairs of the Joint Venture, then a deadlock between the Joint Venturers shall be deemed to have occurred. Upon the occurrence of a deadlock, one Joint Venturer (hereinafter referred to as the "Offeror") may elect to purchase the Joint Venture interest of the other Joint Venturer (hereinafter referred to as the "Offeree") at a price calculated as the Offeree's percentage interest in a total purchase price for all of the assets of the Joint Venture and shall have the right of first refusal. The Offeror shall notify the Offeree in writing of the offer to purchase, stating the total purchase price for all of the assets of the Joint Venture, and the price offered for the Offeree's Joint Venture interest expressed as the Offeree's percentage interest in the Joint Venture assets multiplied by the total purchase price for all of the assets of the Joint Venture. The Offeree shall have the right to buy the interest of the Offeror at the designated price and terms, or to sell the Offeree's interest to the Offeror at the designated price and terms, whichever the Offeree may elect. The offer, when made by the Offeror, is irrevocable for THIRTY (30) days. The Offeree shall have TEN (10) days from the receipt of such offer to make its election, that is, either to buy such interest of the Offeror or to sell its own interest, which shall be made in writing executed by the Offeree and stating the nature of the election. A Joint Venturer, which is obligated to purchase the interest of another Joint Venturer pursuant to the provisions hereof, shall have TWENTY (20) days from the date of receipt of the written election from such other Joint Venturer to pay the designated price and satisfy the terms of such purchase. Should the Joint Venturer who has received an offer to sell or buy fail to make the election required herein in a timely fashion, then such non-responding party shall be deemed to have elected and agreed to sell or buy, as the case may be, according to the terms of the offer.

**Legal Title to the Joint Venture.** The Joint Venturers agree that the legal title to the Joint Venture property and assets, including the Joint Venture itself, shall remain in the name of the UH.

**Transfers Of Joint Venturers' Interests.** Except as otherwise expressly permitted herein, no Joint Venturer may sell, transfer, assign or encumber its interest in the Joint Venture, or admit additional Joint Venturers, without the prior written consent of the other Joint Venturer. Any attempt to transfer or encumber any interest in the Joint Venture in violation of this Section shall be null and void.

The obligations and Rights of Transferees are as follows:

- (a) Any person who acquires in any manner whatsoever any interest in the Joint Venture, irrespective of whether such person has accepted and adopted in writing the terms and provisions of this Agreement, shall be deemed by the acceptance of the benefit of the acquisition thereof to have agreed to be subject to and bound by all the obligations of this Agreement that any predecessor in interest of such a person was subject to or bound by;
- (b) The person acquiring an interest in the Joint Venture shall have only such rights, and shall be subject to all of the obligations, as are set forth in this Agreement; and, without limiting the generality of the foregoing, such a person shall not have any right to have the value of its interest ascertained or receive the value of such interest or, in lieu thereof, profits attributable to any right in the Joint Venture, except as herein set forth.

**Termination.** Upon the termination or dissolution of the Joint Venture, the Joint Venturers shall proceed to liquidate the Joint Venture, and all proceeds of such liquidation shall be applied and distributed in the manner set above according to the interests held by each party in the Joint Venture. A reasonable time shall be allowed for the orderly liquidation of the Joint Venture's assets in order to minimize losses normally attendant upon such liquidation.

**Notice.** Any notices to be given under this Agreement by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices must be addressed to the addresses of the parties as they appear in the introductory paragraph of this Agreement. Each party may change its address by written notice in accordance with this paragraph. Notices delivered personally will be deemed communicated as of actual receipt; mailed notices will be deemed communicated as of FIFTEEN (15) business days after mailing.

**Arbitration and Attorney's Fees.** Any controversies or disputes arising out of or relating to this Agreement shall be resolved by binding arbitration in accordance with the then-current Commercial Arbitration Rules of the American Arbitration Association. The Joint Venturers shall select a mutually acceptable arbitrator knowledgeable about issues relating to the subject matter of this Agreement. In the event the Joint Venturers are unable to agree to such a selection, each party will select an arbitrator and the two arbitrators in turn shall select a third arbitrator, all three of whom shall preside jointly over the matter. The arbitration shall take place at a location that is reasonably centrally located between the Joint Venturers, or otherwise mutually agreed upon by the Joint Venturers. All documents, materials, and information in the possession of each party that are in any way relevant to the dispute shall be made available to the other Joint Venturer for review and copying no later than THIRTY (30) days after the notice of arbitration is served. The arbitrator(s) shall not have the authority to modify any provision of this Agreement or to award punitive damages. The arbitrator(s) shall have the power to issue mandatory orders and restraint orders in connection with the arbitration. The decision rendered by the arbitrator(s) shall be final and binding on the Joint Venturers, and judgment may be entered in conformity with the decision in any court having jurisdiction. The agreement to

arbitration shall be specifically enforceable under the prevailing arbitration law. During the continuance of any arbitration proceeding, the parties shall continue to perform their respective obligations under this Agreement. Regarding all costs associated with actual Arbitration proceedings including, but not limited to, payment of the Arbitrators, payment for the arbitration location, shall be split equally between the two parties. Each Joint Venturer shall be responsible for its own attorney's fees regardless the outcome of the arbitration for either party.

**Fees and Commissions.** Each Joint Venturer hereby represents and warrants to the other that it has not incurred or obligated the Joint Venture for any brokerage, finder's or other similar fees or commissions in connection with the transactions covered by this Agreement or in connection with acquiring the Joint Venture or forming this Joint Venture. Each Joint Venturer hereby agrees to indemnify and hold harmless the other from and against all liabilities, costs, damages and expenses from any breach or alleged breach of the foregoing representation.

**Waiver.** Failure on the part of either Joint Venturer to complain of any act of the other Joint Venturer or to declare the other Joint Venturer in default, irrespective of how long such failure continues, shall not constitute a waiver by such Joint Venturer of its rights hereunder. No waiver of, or consent to, any breach or default shall be deemed or construed to be a waiver of, or consent to, any future breach or default.

**Severability.** If any provision of this Agreement or the application thereof shall be determined by a court of competent jurisdiction to be invalid and unenforceable, the remainder of this Agreement and the application of the other provisions herein contained shall not be affected thereby, and all such other provisions shall remain effective and in force and shall be enforced to the fullest extent permitted by law.

**Binding Effect.** This Agreement shall inure to the benefit of and be binding upon the Joint Venturers, and their heirs, successors and assigns.

**Duplicate Originals.** This Agreement may be executed in duplicate, with each such duplicate to be considered an original for all purposes.

**Construction of Agreement.** The captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision thereof. As used herein, the word "person" shall include the individuals, corporations, partnerships and other entities of any type. In this Agreement, the use of any gender shall be applicable to all genders, and the singular shall include the plural, and the plural shall include the singular.

**Other Activities of Joint Venturers.** Any Joint Venturer may engage in other business ventures of every nature and neither the Joint Venture nor the other Joint Venturer shall have any right in such independent ventures or the income and profits derived therefrom.

**Merger Clause.** This Agreement, when executed by the Joint Venturers, shall contain the entire understanding and agreement between the Joint Venturers, if any, with respect to the matters referred to herein and shall supersede all prior or contemporaneous agreements,

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representations and understanding with respect to such matters.

**Amendments.** This Agreement may be amended by the mutual assent of the Parties hereto at any time prior; provided, however, that any amendment must be by an instrument or instruments in writing signed and delivered on behalf of each of the Parties hereto.

**Governing Law.** The laws of the State of Arizona will govern this Agreement without regard for conflicts of laws principles. Each Joint Venturer hereby expressly consents to the personal jurisdiction of the state and federal courts located in the state of Arizona, in the county of Maricopa, for any lawsuit filed there against any party to this Agreement by any other party to this Agreement concerning the Joint Venture or any matter arising from or relating to this Agreement.

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[SIGNATURES ON THE FOLLOWING PAGE]

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IN WITNESS WHEREOF, the Parties hereto acknowledge that they have read and fully understand this Agreement:

MACCAM, LLC

Signature: Alan Abrams

By: Alan Abrams

Date: 9/24/2013

Ultra Health, LLC

Signature: [Handwritten Signature]

By: Duke Rodriguez

Date: SEPT 24, 2013