

JOINT VENTURE AGREEMENT

This JOINT VENTURE AGREEMENT ("Agreement"), made on September 15, 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 SCAN 4 HEALTH, LLC, an Arizona limited liability company whose principle place of business is located at 1669 E. McMurray Blvd, Casa Grande, Arizona 85122 on behalf of HEALING HEALTHCARE 3, INC., an Arizona corporation whose principle place of business is located at 1669 E. McMurray Blvd, Casa Grande, Arizona 85122. For the purposes of this Agreement SCAN 4 HEALTH and HEALING HEALTHCARE 3, INC. shall be jointly referred to as "S4H." 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 a cultivation facility for the dispensary in CHAA #83 located in Clifton, Arizona; 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 Clifton, (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 410 S. Madison Drive Suite 100, Tempe, Arizona 85281. The term of the Joint Venture shall commence on the execution date of this Agreement and shall continue in perpetuity or until mutual agreement to end the Joint Venture by the Joint Venturers.

Purpose. The Joint Venturers form this Joint Venture to operate a cultivation facility for the dispensary in CHAA #83 located in Clifton, Arizona. To the extent set forth in this Agreement, each of the Joint Venturers shall own an undivided fractional part in the Joint Venture.

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 are to be as follows:

S4H estimates that it will have spent no less than SEVEN HUNDRED EIGHTY TWO

THOUSAND DOLLARS (\$782,000.00) to build out the Joint Venture. S4H will be solely responsible for any additional costs necessary to make the facility operational including, but not limited to, HVAC work, remodeling, capital equipment, electrical, plumbing, roofing, structure, and the like. UH will not contribute capital for additional costs for TWELVE (12) months from S4H receiving its final certificate of occupancy issued by the city of Tempe, Arizona for the Joint Venture. For the purposes of this Agreement, "additional costs" shall not mean normal wear-and-tear costs. Any expansions and improvements beyond the purpose of the original Joint Venture agreed upon by the Joint Venturers shall be paid for by the Joint Venture.

UH will contribute a maximum of THREE HUNDRED NINETY ONE THOUSAND DOLLARS (\$391,000.00) according to the terms set forth herein:

- (a) ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) due upon the execution of the letter of intent signed by the Joint Venturers dated September 3, 2013;
- (b) ONE HUNDRED SEVENTY FIVE THOUSAND DOLLARS (\$175,000.00) due upon the execution of this Agreement;
- (c) Remaining balance of ONE HUNDRED AND SIXTEEN THOUSAND DOLLARS (\$116,000.00) ("Amount Due") due to S4H's upon S4H's receiving its dispensary authorization to operate ("ATO") for CHAA #95 located in Florence ("License"). This ATO must be obtained by December 31, 2013. In regard to this Agreement, time is of the essence. Failure to perform by the specified date will result in UH withholding the Amount Due until ATO is obtained for the License.
- (d) S4H must obtain an ATO for the dispensary, cultivation location, and commercial kitchen associated with the License by August 8, 2014. In regard to this Agreement, time is of the essence. If S4H fails to obtain the ATO for the License, it will be required to pledge any and all rights, interests, and claims in the Joint Venture to UH. Upon pledging rights, interests, and claims in the Joint Venture to UH, S4H will be returned its initial investment of THREE HUNDRED NINETY ONE THOUSAND DOLLARS (\$391,000.00) or less, depending upon the balance remaining in S4H's capital account.

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

S4H 50% UH 50%

Management and Delegation of Authority. Management of the Joint Venture shall be conducted by the respective head officers/appointed representative of S4H and UH as laid out below:

- a. Duke Rodriguez shall represent the interest, authority, and decision making of



UH.

- b. Rocky Pahwa shall represent the interest, authority, and decision making of S4H.

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:

S4H 50% UH 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:

S4H 50% UH 50%

Secondary Joint Venture. Once the Joint Venture is finalized, the Joint Venturers shall mutually select a master grower for another joint venture in Mesa, Arizona ("Secondary Joint Venture"), the terms of which are to be set out in a separate agreement. Should the License not be obtained by December 31, 2013, the Secondary Joint Venture shall not commence.

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 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 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