

LAW OFFICE

Jay H. Brown, Ltd.

A PROFESSIONAL CORPORATION
520 SOUTH FOURTH STREET
LAS VEGAS, NEVADA 89101

TELEPHONE: (702) 384-5563
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April 17, 2014

[REDACTED]

[REDACTED]

[REDACTED]

Please see attached copy of **DISCLOSURE OF PROFITSHARING AGREEMENT** **OUTSIDE OF THE OWNERSHIP STRUCTURE** between Jay H. Brown, LTD. ("the Attorney") and [REDACTED] ("the Client"). The attached Disclosure of Profitsharing Agreement ("Disclosure") is being furnished to the Clark County Department of Business License in conjunction with your Preliminary Review Form for an Application for a Special Use Permit Pursuant to Chapter 30.16 of the Clark County Code ("Preliminary Review Form").

Please be advised that the attached Disclosure is intended only to provide necessary profit-sharing information to the Clark County Department of Business License to accompany your Preliminary Review Form in response to Item 4. The Disclosure does not constitute any modification of the Agreement between the Attorney and Client dated November 21, 2013. The Agreement of Engagement Letter between the Attorney and Client dated November 21, 2013 remains in full force and effect.

If you have any questions about the contents or purpose of the Disclosure, please contact me.

Very truly yours,

JAY H. BROWN, LTD.

Jay
Jay H. Brown

**DISCLOSURE OF PROFITSHARING AGREEMENT
OUTSIDE OF THE OWNERSHIP STRUCTURE**

In the event that [REDACTED] ("Client") obtain one or more initial dispensary, grow, or edible business licenses, You agree to pay Jay H. Brown, Ltd. ("Attorney"), or his designee), an additional Success Fee in the amount of nine percent (9%) of Net Income from each licensed dispensary, grow, or edible business for a time period of ten (10) years. "Net Income" is defined as the licensed business's revenues minus expenses, [REDACTED] statutes and regulations at the time of initial licensing. Where Net Income [REDACTED] are not specific, Generally Accepted Accounting Principles shall apply. [REDACTED] despite remaining payable beyond initial business licensing, does not create an ongoing attorney client relationship. By being paid a Success Fee, the Attorney, or his designee, shall not be considered to have acquired any ownership interest in Client's dispensary, grow, or edible business or businesses, whether in nine percent (9%) or any other percentage, and Attorney or his designee shall not be looked to for any responsibilities with respect to the ownership or operation of the dispensary, grow, or edible business or businesses beyond those duties as counsel as defined in **Schedule A**.

The nine percent (9%) Net Income computation shall be payable from each dispensary, grow, or edible business or businesses individually and not cumulatively. The nine percent (9%) Net Income payment is owed to Attorney contingent upon the applicable medical marijuana licensing system being permissible under federal, state, and municipal law, such permissibility to be determined at the sole discretion of Attorney.

Further, in the event that You elect to sell any or all of Your dispensary, grow, or edible businesses for which initial licensing was obtained, the Attorney in his sole discretion, shall continue to receive from You either nine percent (9%) of the Net Income of each business for ten years from the date of initial licensing, or, alternatively, You agree to include in the written contract for the sale of each business a provision clearly guaranteeing Attorney his right to the Success Fee and providing that the buyer of each business shall honor the existing nine percent (9%) Net Income Success Fee agreement until the ten years has elapsed. If the buyer does not honor said agreement, Client shall continue to be responsible until the ten years has elapsed. The ten-year duration of the nine percent (9%) Net Income Success Fee agreement shall survive any termination, whether by Attorney or Client, of the attorney client relationship created by this Agreement. Under the terms of this Agreement, the attorney client relationship ends at initial business licensing if You obtain one or more dispensary, grow, or edible licenses. In the event You do not obtain any dispensary, grow, or edible licenses, the attorney client relationship created by this Agreement ends at notification of the denial of all dispensary, grow, or edible business license applications.

SCHEDULE "A":

SCOPE OF REPRESENTATION

The Attorney will represent Client in connection with Client's efforts to secure one or more initial business licenses pursuant to Nevada's new medical marijuana regulatory system.

The Attorney will use his best efforts on Client's behalf to obtain said license or licenses, but success is not guaranteed.

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TELEPHONE: (702) 384-5563
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EMAIL: jbrown@brownlawlv.com

November 21, 2013

[REDACTED]

Re: Engagement Letter

Dear [REDACTED]

The purpose of this correspondence is to, upon execution: 1) establish an attorney client relationship between Jay H. Brown, Ltd. ("the Attorney") and [REDACTED] "You" or "Client"; 2) define the scope of the Attorney's representation of Client; and 3) establish other material terms and conditions of the representation, including but not limited to the financial terms. This correspondence may be referred to as "Engagement Letter" or the "Agreement."

Please read the Engagement Letter with care. By executing this Engagement Letter, You are entering into a contract that is binding on both the Attorney and You, on the following terms and conditions.

1. PARTIES TO ENGAGEMENT LETTER

The parties to the Agreement are the Attorney and [REDACTED]. No other person or entity but for the specifically-named Client shall be entitled to claim an attorney client relationship with the Attorney with respect to the legal services to be provided pursuant to this Engagement Letter.

2. INCEPTION OF ATTORNEY CLIENT RELATIONSHIP

No attorney client relationship will exist between the Attorney and You until You have executed the Agreement, nor will the Attorney be obligated to provide legal services, until You have returned a signed copy of this Agreement and paid the Nonrefundable Retainer called for under Paragraph 7.

3. SCOPE OF REPRESENTATION: SCHEDULE A

The Attorney will perform only those legal services set forth in the Scope of Representation attached as **Schedule A**. You shall have no expectation that the Attorney will provide legal services beyond those set forth in Schedule A, unless the Attorney and You amend the Engagement Letter in writing or execute a separate agreement with respect to any such

additional legal services. Nothing in this paragraph shall in any way limit Your obligation to pay for or the Attorney's right to receive payment for any services provided by the Attorney at Your request.

You have been informed and understand that while this business has been authorized under Nevada law, it is still a criminal violation under Federal law. The Attorney will assist you in securing one or more business licenses for marijuana cultivation, and navigating Nevada state laws and the laws of the municipalities. [REDACTED] business license applications are to be filed. However, you understand that if you engage in the business of medical marijuana you bear the risk that you may be in violation of Federal law and may potentially face Federal criminal or civil charges.

4. DISCLOSURE REGARDING LIMITED SCOPE OF ENGAGEMENT
POTENTIAL CONFLICTS OF INTEREST [REDACTED]

[REDACTED]
Because the Attorney's representation is limited in scope as described in Schedule A, You have agreed that, subject to certain conditions described below, the Attorney may represent, now and in the future, other persons and entities applying for an initial business license for a marijuana cultivation application in Clark County and other Southern Nevada municipalities. If the Attorney were not to represent other clients, You understand that the Attorney's fees for such an exclusive representation would be many times the Nonrefundable Retainer amount contained herein.

In light of the specialized nature and complexity of the legal issues involved, the limited number of business licenses anticipated to be issued, and the uncertainty of how Nevada's medical marijuana [REDACTED] system will be structured, You understand that potential conflicts of interest exists or may arise with respect to the Attorney's representation of Client, and You waive any such potential conflict of interest.

5. WAIVER OF POTENTIAL CONFLICTS AND RELEASE

You understand and agree that while the Attorney is fully committed to assist You to the best of his abilities in this representation, the Attorney will represent other clients that will be competing with you in this business area. You recognize that at this time the Nevada legislature has only authorized a specific number of medical marijuana dispensary licenses, and that it is possible various municipalities will limit the number of marijuana cultivation business licenses. You recognize that the Attorney will be helping other clients to obtain one or more of the limited number of dispensary licenses and to obtain one or more marijuana cultivation business licenses. The Attorney will not disclose or otherwise use any confidential information relating to Your representation unless Attorney receives Your informed consent in advance to reveal or use the confidential information.

You agree to release the Attorney from and waive all claims, known or unknown, as of now or in the future, against Attorney for any potential conflict of interest or claim of breach of duty or professional negligence arising from this Agreement with respect to Attorney's representation of other applicants for dispensary, grow, and edible business licenses. You recognize and accept the benefits of obtaining access to affordable representation by Attorney under this Agreement. You also recognize and accept the risks of uncertain outcome, a limited number of dispensary, grow, and edible licenses available, and potential conflicts of interest arising from Attorney's representation of other applicants for the limited number of licenses available. Based on Your evaluation of the benefits and risks to You of entering this Agreement, you specifically waive any potential conflicts of interest with respect to Attorney's representation of other applicants for dispensary, grow, and edible business licenses. You are hereby advised to seek the advice of independent legal counsel with respect to this Agreement and you agree that you have been given a reasonable opportunity to seek the advice of independent legal counsel.

6. DUTIES OF CLIENT/YOU

You agree to provide the Attorney with complete and accurate information and documents, cooperate, keep the Attorney informed of relevant developments, abide by this Agreement, and pay the Attorney's statements on time. In addition, You will advise the Attorney of any changes to Your address and telephone number.

7. LEGAL FEES

The Attorney's billing on this matter is based on a Nonrefundable Retainer for the services described in Schedule A. The Nonrefundable Retainer that is charged is based upon the skill and experience of the individual Attorney in providing these types of specialized legal services for a new business licensing system, the parameters of which have not been fully defined yet.

For this representation, You agree to pay a Nonrefundable Retainer of Thirty-Seven Thousand Five Hundred Dollars (\$37,500) payable as follows: Twelve Thousand Five Hundred Dollars (\$12,500) immediately upon execution of this agreement, Twelve Thousand Five Hundred Dollars (\$12,500) on or before December 20, 2013, and Twelve Thousand Five Hundred Dollars (\$12,500) on or before January 20, 2014. The Attorney's Nonrefundable Retainer includes preparation of your application(s) for initial business license(s) and any necessary documents for initial licensing as well as for attendance by the Attorney with the Client at the licensing interview(s), if any. All licensing and permit fees, and all fees and costs incurred in securing technical expertise or professional assistance in connection with the initial licensing process (apart from Attorney's services contained in this Agreement), are to be paid separately by the Client. No work will be performed until the Nonrefundable Retainer is paid.

In return for your payment of the Nonrefundable Retainer, Attorney agrees to use his best efforts to assist Client in obtaining one or more marijuana cultivation ("grow") or edible business

licenses in up to four jurisdictions anticipated to become available in municipalities in Southern Nevada, including Clark County, if permissible. You agree that whether or not grow business licenses are permissible, and whether or not You actually apply for any such licenses, Attorney will keep the Nonrefundable Retainer amount of \$37,500.

Further, in the event that Client obtains one or more grow business licenses, You agree to pay Attorney, or his designee, an additional Success Fee in the amount of nine percent (9%) of net profits from each licensed dispensary, grow, or edible business for a time period of ten (10) years. This Success Fee represents one component of the Attorney's legal fees for Attorney's representation of You from the inception of the attorney client relationship until initial business licensing of any grow business or businesses, at which point the attorney client relationship ends.

This Success Fee, despite remaining payable beyond initial business licensing, does not create an ongoing attorney client relationship. By being paid a Success Fee, the Attorney, or his designee, shall not be considered to have acquired any ownership interest in Client's grow business or businesses, whether in nine percent (9%) or any other percentage, and Attorney or his designee shall not be looked to for any responsibilities with respect to the ownership or operation of the grow business or businesses beyond those duties as counsel as defined in Schedule A.

The nine percent (9%) net profit computation shall be payable from each grow business or businesses individually and not cumulatively. Upon initial business licensing of each grow business, the Attorney and You shall enter a separate agreement defining the terms, conditions, and calculations of the nine percent (9%) net profit Success Fee. The nine percent (9%) net profit payment is owed to Attorney contingent upon the applicable medical marijuana licensing system being permissible under federal, state, and municipal law, such permissibility to be determined at the sole discretion of Attorney.

Further, in the event that You elect to sell any or all of Your grow businesses for which initial licensing was obtained, the Attorney in his sole discretion, shall continue to receive from You either nine percent (9%) of the net profits of each business for ten years from the date of initial licensing, or, alternatively, You agree to include in the written contract for the sale of each business a provision clearly guaranteeing Attorney his right to the Success Fee and providing that the buyer of each business shall honor the existing nine percent (9%) net profit Success Fee agreement until the ten years has elapsed. If the buyer does not honor said agreement, Client shall continue to be responsible until the ten years has elapsed. The ten-year duration of the nine percent (9%) net profit Success Fee agreement shall survive any termination, whether by Attorney or Client, of the attorney client relationship created by this Agreement. Under the terms of this Agreement, as stated in Paragraph 7, the attorney client relationship ends at initial business licensing if You obtain one or more grow licenses. In the event You do not obtain any grow licenses, the attorney client relationship created by this Agreement ends at notification of the denial of all grow business license applications.

8. COSTS, EXPENSES AND OTHER CHARGES

You acknowledge and agree that all filing fees and ancillary costs and expenses associated with the filing of the dispensary, grow, or edible business license(s) shall be paid by You. In the event the Attorney is required to advance any funds in payment of the aforesaid filing fees and ancillary costs on Your behalf, then you agree to immediately reimburse the Attorney for said funds upon receipt of a statement for said filing fees and ancillary costs. The Attorney will not advance any funds without the Client's express written approval, to be obtained before any funds are advanced.

It is the Attorney's policy to require payment of the Nonrefundable Retainer before commencing work on any matter. As this matter is being handled on a Nonrefundable Retainer basis, the Attorney will not send statements unless funds are due on the account as discussed above.

9. ATTORNEY LIEN

You hereby grant the Attorney a lien on any Success Fee, earned as specified in Paragraph 7 above, in the amount of nine percent (9%) of net profits from each grow business or businesses for ten years from the date of initial business licensing, even if you elect to sell any or all of your interest in the business.

10. TERMINATION OF THE ATTORNEY BY THE CLIENT

You shall have the right to terminate and discharge the Attorney at any time. The termination or discharge of the Attorney must be in writing, and the Attorney will keep the Nonrefundable Retainer of \$37,500 in the event of any termination or discharge. In the event the Attorney has already earned a Success Fee pursuant to Paragraph 7, payment of the Success Fee continues beyond Your termination and discharge of the Attorney. In such event, the Client authorizes the Attorney to make and retain a duplicate of the Client's file.

11. WITHDRAWAL FROM REPRESENTATION BY THE ATTORNEY

The Attorney shall be permitted to withdraw from representation whenever required or permitted to do so by law. In addition, the Attorney may withdraw as counsel at any time if: 1) You persist in a course of action involving a lawyer's services that the lawyer reasonably believes to be criminal or fraudulent; 2) You have used the lawyer's services to perpetrate a crime or fraud; 3) You insist upon pursuing an objective that the lawyer considers repugnant or imprudent; 4) You fail substantially to fulfill an obligation to the Attorney regarding his services (including, but not limited to, Your financial obligations under this Engagement Letter) after reasonable warning from the lawyer that the lawyer will withdraw unless the obligation is fulfilled; 5) the representation will result in an unreasonable financial burden on the lawyer or has been rendered unreasonably difficult by You; or 6) where other good cause for withdrawal exists.

In the event Attorney withdraws as counsel, the Nonrefundable Retainer will not be returned to You.

12. DOCUMENT STORAGE POLICY

On termination of a matter, the Attorney will maintain file documents for 7 years, or any alternate period as determined by Nevada law. Upon termination of the matter, You have the right to take possession of the file. If You choose to take possession of the file, the Attorney may copy all or any part of the file. If You choose not to take possession of the file, the Attorney will retain the file pursuant to his document storage policy stated above.

13. CHOICE OF LAW/FORUM SELECTION/DISPUTE RESOLUTION

This Agreement is deemed to have been executed, and is intended to be performed in the State of Nevada, subject to its laws, regardless of whether services are actually rendered outside of the State. Any dispute arising from this agreement shall be governed by the laws of the State of Nevada.

The venue for any judicial resolution of such dispute shall be proper only within Clark County, Nevada. Any dispute between the parties to this Agreement shall be subject to a bench trial in Clark County, Nevada. The Client and The Attorney hereby expressly waive their right to a jury trial.

The prevailing party in any litigation arising out of or relating to the Attorney's engagement, this Agreement, any obligations created by this Agreement, and/or the performance or failure to perform services (including, without limit, claims of breach of duty or professional negligence) shall be entitled to recover all attorneys' fees (including the value of the Attorney's time at his normal billing rate), all experts' fees and expenses and all costs (whether or not such costs are recoverable pursuant to Nevada law) as may be incurred in connection with obtaining, or collecting any judgment in addition to any other relief to which that party may be entitled.

14. NO PROMISES OR GUARANTEES OF SUCCESS

You understand that the Attorney has made no representation or guarantee concerning the outcome of the representation set forth in the attached Schedule A.

Please note that it is impossible and inappropriate for the Attorney to provide You any promise or guarantee about the success or outcome of any grow business license application(s) at this time. Nothing either in this Agreement or in any statements by the Attorney constitutes a promise or guarantee of successful licensing. Any comments about the possible outcome of your representation are expressions of opinion only.

You understand that the Attorney cannot make any promise that Clark County or any other municipality will approve your grow business license application(s) or even accept applications in general at this point in time. Attorney has made no promise or assurance that Client will be successful in obtaining any grow business license. Attorney has explained to You prior to executing this Agreement that things can change and there is no way of knowing with any certainty what criteria will be given the most weight or what boards, parties, agencies, commissions, etc. will make the ultimate decisions as to who will receive medical marijuana licenses.

15. NOTICE TO SEEK OPINION OF SEPARATE COUNSEL

You acknowledge that you have been advised by the Attorney that You should seek independent legal counsel as to this Agreement, and You acknowledge that You have had the assistance of independent legal counsel with respect to your rights and obligations under this Agreement.

The Attorney is not advising you with respect to this Agreement because the Attorney would have a conflict of interest in doing so. If you wish to obtain legal advice with respect to this Agreement, you are hereby advised to consult independent counsel of your choice.

16. MODIFICATION IN WRITING ONLY

No change to this Agreement shall be effective unless and until confirmed in writing and signed and acknowledged by the Attorney and You, making express reference to this Agreement. This Engagement Letter embodies the whole agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein, and this contract shall supersede all previous communications, representations, or other agreements, either oral or written, between the Attorney and You.

17. COUNTERPARTS AND FACSIMILES EFFECTIVE

This Agreement may be signed in counterparts. Facsimile or imaged signature pages executed by the Attorney or You shall be effective as original signatures.

This Agreement may be signed in one or more counterparts and binds each party signing it. If any provision of this Agreement or the application thereof is held invalid or unenforceable, the invalidity or unenforceability shall not affect other provisions or applications of this Agreement which can be given effect without such provision or application, and to this end the provisions of this Agreement are declared to be severable.

We look forward to working with you and thank you once again for the opportunity to enter into an attorney client relationship, upon execution of this Engagement Letter.

If the foregoing terms and conditions are satisfactory to you and accurately summarize and confirm your understanding with respect to our engagement, please indicate your approval and acceptance by dating and signing this letter. Please retain a copy of the signed Engagement Letter for your records and return a signed copy to the Attorney.

If you have any questions regarding the content of this Agreement, please contact me:

Dated: _____

Accepted and agreed to:

[Redacted signature]

BY

Name

Title

Address

Phone

Fax

E-mail

Very truly yours,

JAY H. BROWN, LTD.

Jay H. Brown
Jay H. Brown