

1 **BEFORE THE CANNABIS COMPLIANCE BOARD AND NEVADA TAX**
2 **COMMISSION**
3 **STATE OF NEVADA**

4 STATE OF NEVADA, CANNABIS
5 COMPLIANCE BOARD,

6 Petitioner,

7 vs.

8 NNV OPERATIONS I, INC.

9 Respondent.

10 STATE OF NEVADA, DEPARTMENT
11 OF TAXATION,

12 Petitioner,

13 vs.

14 NNV OPERATIONS I, INC.

15 Respondent

Case No. 2021-054

Tax ID No: 1034307770

16 **STIPULATION AND ORDER FOR SETTLEMENT OF DISCIPLINARY ACTION**

17 The Cannabis Compliance Board (the “CCB”) and The Nevada Department of
18 Taxation (the “Department”) by and through its counsel, Aaron D. Ford, Attorney General
19 for the State of Nevada, David J. Pope, Chief Deputy Attorney General, Emily N. Bordelove,
20 Senior Deputy Attorney General, and Kayla D. Dorame, Deputy Attorney General, hereby
21 enters into this Stipulation and Order for Settlement of Disciplinary Action (“Stipulation
22 and Order”) with Respondent NNV Operations I, Inc. (“NNV”), by and through its court-
23 appointed cannabis receiver, Charles A. Schultz Jr. (“Receiver”), and Respondent’s counsel
24 of record, Jeffrey F. Barr, Esq. of the law firm of Ashcraft & Barr and Receiver’s counsel
25 Candace C. Carlyon, Esq. of the law firm Carlyon Cica, 21st Street LLC (“21st Street”) by
26 and through its counsel, Lee Iglody, Esq. of Lee Iglody Law (collectively referred to as the
27 “Parties”). Pursuant to this Stipulation and Order, the Parties hereby stipulate and agree
28 that CCB Case No. 2021-054 shall be fully and finally settled and resolved upon the terms
 and conditions set out herein.

PERTINENT FACTS

1. On November 23, 2021, CCB initiated this disciplinary action via the service and filing of a Complaint for Disciplinary Action in CCB Case No. 2021-054. That Complaint alleges that, contrary to Nevada law, NNV medical cultivation, adult-use cultivation, medical production, and retail production (C141, RC141, P091, and RP091) failed to remit taxes due to the Department from June 30, 2019, to June 30, 2021.

2. When said Complaint was filed, NNV's points of contact were John and Julie Sutton (the "Suttons"). The Suttons have executed two personal guarantees each (four guarantees total), to secure payment plans for taxes NNV owed to the Department.¹

3. On January 21, 2022, NNV filed with the CCB its Answer to the Complaint in CCB Case No. 2021-054.

4. On March 8, 2022, 6.5% shareholder of NNV, Ron Verstappen ("Mr. Verstappen"), filed in the Eighth Judicial District Court a motion to appoint a Receiver over NNV under Case No. A-22-849400-B ("Receivership Action").² The motion represented that John Sutton, as the sole member of NNV's board of directors, had resigned and requested appointment of Larry L. Bertsch as Receiver over NNV.

5. On April 6, 2022, Administrative Law Judge Meyer granted NNV's motion to stay the administrative proceedings for CCB Case No. 2021-054 due to the pending motion for a receivership. The CCB and NNV have agreed to subsequent extensions of the stay due to the Receivership Action and settlement negotiations.

6. On April 11, 2022, the Receivership Court denied the March 8th Receivership motion without prejudice due to procedural concerns. On April 13, 2022, Mr. Verstappen re-filed his receivership motion, addressing said concerns, under an order shortening time. The Receivership Court granted the order shortening time and placed the motion for Receiver on calendar for April 20th. Based on the proof of service filed in the Receivership

¹ John and Julie Sutton each executed their own guarantees on June 30, 2021, and January 31, 2022 .

² The actions taken in Case No. A-22-849400-B shall be referred to hereafter as the actions taken by the "Receivership Court."

1 Action, the Suttons were personally served with a copy of Notice Of Entry Of Order
2 Granting Order Shortening Time For The Hearing On Motion For Rehearing Pursuant To
3 EDCR 2.24(A) (Motion For Appointment Of A Receiver) on April 14th.

4 7. On April 20, 2022, the Receivership Court, hearing the Receivership motion filed
5 on April 13th, with all appearances noted on the record at the time of the hearing and no
6 oppositions on file, issued an Order granting appointment of Larry L. Bertsch as a Receiver
7 over NNV, subject to the CCB's approval.

8 8. On April 27, 2022, the CCB's Chair issued conditional approval of Mr. Bertsch's
9 application, given the CCB had previously approved his appointment as a cannabis
10 Receiver over different entities, and placed final consideration for approval on the May 24,
11 2022, Board meeting agenda. During that Board meeting, the CCB approved Mr. Bertsch's
12 appointment as Receiver over NNV, as memorialized in the Order issued June 6, 2022.

13 9. Both the CCB's June 6, 2022, Order and the Receivership Court's April 20, 2022,
14 Order required the Receiver to file monthly reports regarding the status of NNV's
15 operations and the Receiver's activities. On or about June 17, 2022, Receiver Bertsch filed
16 his Amended First interim report with the Court, identifying 21st Street as a rescue entity
17 formed to salvage NNV's assets and that 21st Street was financing all critical costs of NNV
18 through a line of credit. As stated in Receiver Bertsch's Third interim report, and those
19 subsequently filed, 21st Street is comprised of 4 record owners: (1) Cypress Holdings
20 Nevada, LLC the current landlord (Steven Covec); (2) NewEdCo LLC (Ed Alexander); (3)
21 Quokka, LLC (Ron Verstappen and Andrew Caplan; and (4) Gavin John Chandler Trust.

22 10. In early April of 2023, the CCB received notice that Receiver Bertsch's health
23 issues prevented him from continuing as Receiver over NNV. On April 18, 2023, the
24 Receivership Court granted the Order placing Charles A. Schultz as Receiver over NNV.
25 Counsel for the CCB was later made aware that Mr. Bertsch had passed away that same
26 day. During the April 25, 2023, Board meeting, the CCB considered and approved Mr.
27 Schultz's application, thereby placing him as cannabis Receiver over NNV.

28 11. On July 7, 2023, Receiver Schultz filed with the Receivership Court a Motion to

1 Approve Sale of Receivership Assets (“Motion to Approve Sale”), seeking the Receivership
2 Court’s approval of a proposed Asset Purchase Agreement dated June 30, 2023 (the “APA”)
3 for the sale of NNV to 21st Street (attached as “**Exhibit A**”) (the “21st Street Sale”).

4 12. On July 21, 2023, the Suttons, as creditors³ and shareholders of NNV, filed a
5 Limited Opposition to the Motion to Approve Sale, on the basis that the APA does not
6 guarantee that the Suttons’ personal guarantees to pay NNV’s state tax liabilities will be
7 assumed, and the Department’s corresponding lien on their home released or extinguished.

8 13. On July 28, 2023, the Department filed a Limited Joinder to the Sutton’s Limited
9 Opposition, noting its concerns that the APA’s language in relation to NNV’s state tax
10 liabilities and requested the Receivership Court allow settlement discussions involving
11 21st Street and the Department to go forward before approving a revised APA.

12 14. On August 8, 2023, the Receivership Court heard the Motion to Approve Sale and,
13 after hearing from counsel present, continued the hearing to allow the parties to ensure
14 the language in the proposed order was correct. Subject to stipulations, the Receivership
15 Court reconvened on August 24, 2023, wherein counsel present stated their respective
16 positions for the language of the order approving the sale. On August 30, 2023, the
17 Receivership Court signed an Order approving the sale (attached as “**Exhibit B**”).⁴ Along
18 with approving the APA, the Receivership Court’s August 30th Order memorialized the
19 Department and 21st Street’s understanding of certain terms in the APA and reflected that
20 the proposed sale is subject to CCB approval.

21 15. The Department and 21st Street agree that under paragraph 1.2(b) of the APA,
22 21st Street assumed certain tax liabilities of NNV (the “Assumed Tax Debt”). The
23 Department and 21st Street desire to resolve any liability of 21st Street for the Assumed
24 Tax Debt and recognize that continued litigation would be protracted, costly, and time
25 consuming, and, therefore, have reached an agreement, as memorialized in this Stipulation
26

27
28 ³ Based on the interim reports filed by the Receiver, the Suttons responded to the Receiver’s creditor letter on or about January 31, 2023.

⁴ As indicated in **Exhibit B**, Suttons’ counsel submitted a competing Order to the Receivership Court.

1 and Order, in the interests of judicial and administrative economy.

2 16. The Parties have engaged in good faith settlement negotiations to reach a global
3 agreement that is mutually acceptable to NNV, the Receiver, 21st Street, CCB staff,
4 counsel for the CCB, the Department, counsel for the Department, and the Nevada Tax
5 Commission (“NTC”) for resolution of the allegations in the Complaint in CCB Case No.
6 2021-054 as outlined in Paragraph 24, violations as outlined in Paragraph 47, and
7 resolution of the Tax Dispute as outlined in Paragraphs 15 & 36 (collectively the
8 “Administrative Action”) with the understanding that this Stipulation and Order must be
9 approved by a majority vote of the members of the CCB and approved by a majority vote of
10 the members of the NTC.

11 **ACKNOWLEDGEMENTS AND APPLICABLE LAW**

12 This Stipulation and Order is made and based upon the following acknowledgments
13 by the Parties:

14 17. NNV has entered into this Stipulation and Order on its own behalf and with full
15 authority to resolve the claims against it and is aware of NNV’s rights to contest the
16 violations pending against it. These rights include representation by an attorney at NNV’s
17 own expense, the right to a hearing on any violations or allegations formally filed, the right
18 to confront and cross-examine witnesses called to testify against NNV, the right to present
19 evidence on NNV’s own behalf, the right to have witnesses testify on NNV’s behalf, the
20 right to obtain any other type of formal judicial review of this matter, and any other rights
21 which may be accorded to NNV pursuant to provisions of the Nevada Revised Statutes
22 (“NRS”) Chapters 678A through 678D, the Nevada Cannabis Compliance Regulations
23 (“NCCR”), and any other provisions of Nevada law. NNV is waiving all these rights by
24 entering into this Stipulation and Order. If the CCB rejects this Stipulation and Order or
25 any portion thereof, all such waivers shall be deemed withdrawn by NNV.

26 18. The Parties agree to waive the right to receive written findings of fact, conclusions
27 of law, and decision from the NTC with regard to this Stipulation and Order.

28 19. Should this Stipulation and Order be rejected by the CCB or not timely performed

1 by NNV, it is agreed that presentation to, and consideration by the CCB of such proposed
2 stipulation or other documents or matters pertaining to the consideration of this
3 Stipulation and Order shall not unfairly or illegally prejudice the CCB or any of its
4 members from further participation, consideration, adjudication, and/or resolution of these
5 proceedings and that no CCB member shall be disqualified or challenged for bias.

6 20. The Parties acknowledge that this Stipulation and Order shall only become
7 effective after approval by a majority vote of the members of the CCB and by a majority
8 vote of the members of the NTC and is contingent upon all such approvals and the
9 Receivership Court's approval. This Stipulation and Order is not effective until all
10 approvals and contingencies set forth in this Paragraph have occurred.

11 21. NNV, the Receiver, and 21st Street enter into this Stipulation and Order after
12 being fully advised of NNV's rights and as to the consequences of this Stipulation and
13 Order. This Stipulation and Order embodies the entire agreements reached between (1) the
14 CCB on one side and NNV, the Receiver, and 21st Street on the other and (2) the
15 Department and NTC on one side and 21st Street on the other, in relation to this
16 Administrative Action. This Stipulation and Order may not be altered, amended, or
17 modified without the express written consent of the Parties, and all alterations,
18 amendments, and/or modifications must be in writing. The Parties stipulate and agree that
19 this Stipulation and Order, if approved by the CCB and the NTC, resolves only the
20 allegations set forth in this Administrative Action. *See also* Paragraph 16.

21 22. In an effort to avoid the cost and uncertainty of a disciplinary hearing in relation
22 to the Complaint filed in CCB Case No, 2021-054, NNV has agreed to settle this
23 Administrative Action. For purposes of settling this Administrative Action, NNV, the
24 Receiver, and 21st Street acknowledge that the facts contained in the paragraphs in the
25 above "Pertinent Facts" portion of this Stipulation and Order are true and correct. Without
26 waiving any constitutional rights against self-incrimination, NNV further acknowledges
27 that certain facts contained in the Complaint in CCB Case No. 2021-054 could be found to
28 constitute violations of Title 56 of NRS (NRS Chapters 678A through 678D), and the NCCR,

1 with penalties up to and including revocation and/or civil penalties of up to \$220,000 for
2 cannabis licenses under facility identification numbers C141, RC141, P091, and RP091,(the
3 “Cannabis Licenses”) if these matters proceeded to an administrative hearing.

4 23. Factors Considered by the CCB. In settling this matter, the CCB took into
5 consideration, without conceding retroactive application⁵, the factors listed in S.B. 195 §
6 3, 2023 Leg., 82nd Sess. (NV. 2023)(to be codified under Chapter 678A of NRS)(effective
7 June 13, 2023). First, that NNV cooperated in the investigation of the violation in such a
8 manner as to demonstrate that it accepts responsibility for the violation. Additionally, the
9 Executive Director for CCB and counsel for CCB have considered the factors set forth in
10 NCCR 4.030(2), including the gravity of the violations; the economic benefit or savings, if
11 any, resulting from the violations; the size of the business of the violator; the history of
12 compliance with the NCCR and Title 56 of NRS by the violator; actions taken to remedy
13 and/or correct the violations; and the effect of the penalty on the ability of the violator to
14 continue in business. More specifically, with regard to NNV’s compliance history, the civil
15 penalties for NNV’s prior disciplinary action under the Department, TID No.: 1034307770-
16 001, remained unpaid prior to the placement of NNV in Receivership. Mitigating factors
17 include the fact that the violations in the Complaint in CCB Case No. 2021-054 involved
18 tax violations only and did not involve threats to public health and safety and, due to the
19 Receivership, that the Suttons are not currently involved in the managerial aspect or daily
20 operations of NNV. The Executive Director for the CCB and counsel for the CCB also took
21 into account the size of the Respondent’s business and the impact of the civil penalties on
22 its ability to continue with its business. A low civil penalty has been proposed in this
23 Stipulation and Order, taking into consideration amounts to be paid to the Department.

24 24. For the **sole purpose** of resolving the Administrative Action relative to the CCB,
25 NNV specifically admits to the following violations contained in the Complaint in CCB Case
26 No. 2021-054:

27 _____
28 ⁵ The CCB’s staff and counsel do not concede in any way that S.B. 195, 2023 Leg., 82nd Sess. (NV. 2023) is
applicable to CCB Case No. 2023-021, as the violations and events at issue arose prior to the enactment of
this legislation, which does not have any provisions allowing its retroactive application.

- 1 a. One (1) violation of NCCR 4.050(1)(a)(9) for unintentional failure to pay taxes,
2 a Category III violation, and
3 b. Seven (7) violations of NCCR 4.060(1)(a)(1) for failing to submit monthly tax or
4 sales reports, seven (7) Category V violations.

5 As to the remaining allegations in that Complaint, NNV neither admits nor denies those
6 allegations, and the CCB shall assess no civil penalties as to those remaining violations.

7 25. In consideration for its admitted violations in Paragraph 24 above, NNV agrees to
8 pay a civil penalty to the CCB in the amount of \$22,500.00⁶, to accept a formal CCB
9 warning in consideration for its admitted first Category V violation in Paragraph 24(b),
10 and in consideration for the CCB's agreement to resolve the Administrative Action relative
11 to the CCB on the terms set forth herein. The Parties contemplate that these amounts will
12 be paid by 21st Street pursuant to the 21st Street Sale.

13 26. If the CCB approves this Stipulation and Order, it shall be deemed and considered
14 disciplinary action by the CCB against NNV.

15 27. The Parties acknowledge that the CCB has jurisdiction to consider and order this
16 Stipulation and Order because NNV holds privileged licenses/certificates regulated by the
17 CCB as of July 1, 2020, and the Department is authorized to enter into a settlement as
18 embodied by this Stipulation and Order to resolve a disputed matter pursuant to NRS §
19 233B.121(5). The Parties expressly, knowingly, and intentionally waive the 21-day and/or
20 5-day notice requirements contained in the Nevada Open Meeting Law⁷ and acknowledge
21 that this Stipulation and Order may be presented to the NTC and the CCB for their
22 respective consideration and potential ratification or approval at the NTC's next available
23 public meeting⁸ and the CCB's Board meeting on December 12, 2023.

24 **STIPULATED ADJUDICATION**

25 Based upon the above acknowledgments of the Parties and their mutual agreement,
26

27 ⁶ To be apportioned \$5,625 to C141, \$5,625 to RC141, \$5,625 to P091, and \$5,625 to RP091.

28 ⁷ And/or the seven (7) and fourteen (14) calendar day requirements under A.B. 52, 2023 Leg., 82nd Sess. (NV. 2023)(effective July 1, 2023).

⁸ Currently the next scheduled NTC meeting is on December 4, 2023.

1 the Parties stipulate and agree that the following terms of discipline shall be imposed by
2 the CCB in this matter and that other pending matters shall be resolved as follows:

3 28. Violations. As to the Cannabis Licenses, NNV is found to have committed one (1)
4 Category III violation and seven (7) Category V violations, as set forth in Paragraph 24
5 above.

6 29. Imposition of Civil Penalties. NNV shall pay a total civil penalty to the CCB in the
7 amount of \$22,500.00 within the time set forth in Paragraph 31 below, to be apportioned
8 as set forth in Paragraph 25 above. That obligation shall be an obligation of 21st Street
9 pursuant to the 21st Street Sale.

10 30. Formal Warning. In accordance with NCCR 4.060(2)(a)(l), the CCB hereby issues
11 a formal warning to NNV as to its first Category V violation in the immediately preceding
12 three (3) years, NNV shall timely submit monthly tax and sales reports, as well as
13 payments. NNV shall also timely submit all other reports required by the CCB and properly
14 keep all records required by the CCB. Failure to do so in the future will invoke additional
15 progressive discipline and shall be considered an aggravating factor in considering the
16 amount of civil penalties in any future disciplinary actions, see Paragraph 48 for
17 progressive discipline terms.

18 31. Payment of Civil Penalties to the CCB. NNV must pay the total civil penalty to the
19 CCB set forth in this agreement within the time frames set forth in this Paragraph and
20 Paragraph 32, which is a lump sum of \$22,500.00 in civil penalties within 30 days of the
21 date the CCB approves this Stipulation and Order⁹.

22 32. Penalties for Failure to Comply with CCB Civil Penalty Payment Deadlines. NNV
23 acknowledges that it is critical to comply with the strict requirements of the deadlines for
24 payment set forth in this Stipulation and Order. NNV agrees that should it fail to timely
25 make payment, the following penalties and procedures will be in effect:

26 ///

27
28 ⁹ Which would be Thursday, January 11, 2024, if the CCB approves this Stipulation and Order at its
December 12, 2023, meeting.

- 1 a. The CCB will allow a five (5) business day grace period for late payment.¹⁰
- 2 b. If payment is not physically received by the CCB at its Carson City office by 5:00
- 3 p.m., Pacific Time, on the last day of the grace period, NNV shall be deemed to be
- 4 in breach of this Stipulation and Order, deemed to be in default, and deemed to
- 5 have admitted all allegations in the CCB's Complaint in CCB Case No. 2021-054
- 6 and shall pay all penalties and receive all discipline set forth under the "Relief
- 7 Requested" section of that Complaint, inclusive of the revocation of the Cannabis
- 8 Licenses (effective on the date of the order of default) and civil penalties of
- 9 \$220,000. The CCB will enter an order of default to this effect after default, and all
- 10 amounts due under this subsection shall be immediately due and payable to the
- 11 CCB. NNV agrees it cannot and will not file any petition for judicial review and/or
- 12 any action in any forum for relief from this order of default and that the CCB may
- 13 file any judicial action necessary to recover the amounts owed under this
- 14 subsection, along with its attorneys' fees and costs for recovery of amounts owed.
- 15 In the event of default under this Paragraph, NNV would not be eligible to apply
- 16 for reinstatement of its revoked Cannabis Licenses for nine (9) years after the date
- 17 of revocation of its Cannabis Licenses, and any such application would not be
- 18 granted without prior payment of the full amount of \$220,000.
- 19 c. NNV may petition the CCB for an extension of the date to pay the civil penalty.
- 20 However, for the CCB to consider any such petition, the CCB must receive said
- 21 petition no later than five (5) business days prior to the payment deadline (which
- 22 does not include any grace period). The CCB is not required to grant such a petition.
- 23 In such a petition, NNV must demonstrate to the satisfaction of the CCB that there
- 24 are extraordinary and unusual circumstances necessitating the extension
- 25 requested. The CCB may delegate the decision as to whether to grant such a
- 26 petition to the CCB Chair.

27

28 ¹⁰ If a check or other form of payment is returned for insufficient funds, or otherwise rejected, the failed payment will **not** be considered a payment and no additional time beyond the five (5) business day grace period will be granted for payment.

1 d. If an extension is granted under subsection (c) of this Paragraph, there shall be no
2 grace period on the new payment date. If NNV does not pay by the new payment
3 date, the provisions and penalties outlined in subsection (b) of this Paragraph
4 apply.

5 33. Plan of Correction. NNV warrants that it has been making timely payments to
6 the Department of on the Wholesale Marijuana Tax (WMT) since the Receivership Court's
7 April 20, 2022 appointment order. Since said order, the Suttons have not and will not be
8 involved in the operations of NNV. 21st Street warrants that it will implement policies and
9 procedures similar to those currently in place with Ed Alexander's (a member of 21st
10 Street) other cannabis facilities regarding timely payments to the Department.

11 34. Liquidation of Cannabis Licenses. A Transfer of Interest request for the 21st
12 Street sale was submitted to the CCB on or about September 28, 2023, and it is
13 contemplated that it will be presented to the Board during the December 12, 2023 Board
14 meeting for Board consideration. If the 21st Street Sale does not close, the Receiver shall
15 use his best efforts to sell the Cannabis Licenses (the "Liquidation") and for the
16 Receivership Court approved purchaser to submit a Transfer of Interest request with the
17 CCB for the Cannabis Licenses within six (6) months of the approval of this Stipulation by
18 the CCB. So long as the Receiver uses his best efforts to complete the Liquidation, any
19 failure to submit the Transfer of Interest request within six (6) months of the approval of
20 this Stipulation shall not be considered an event of default, and no additional penalties will
21 be imposed. As part of his Monthly Interim status report submitted to the Receivership and
22 the CCB, the Receiver agrees to provide information necessary to support the Receiver's
23 position that he is using his best efforts to sell the Cannabis Licenses and complete the
24 Liquidation. The Receiver shall use his best efforts to ensure that any prospective
25 purchaser(s) provide(s) the CCB with any information and/or documents required to
26 adequately investigate and process the Transfer of Interest request. The Receiver shall
27 advise any prospective purchasers in writing of the discipline imposed via the Stipulation
28 and Order. The Receiver shall promptly notify the CCB of any offer to purchase the

1 Cannabis Licenses that is conditionally accepted. In addition to the Board's approval of the
2 sale of the Cannabis Licenses, the Receiver shall obtain approval of such sale from the
3 Receivership Court in the Receivership Case (the "Sale Order"). Any subsequent Transfer
4 of Interest with respect to the Cannabis Licenses must still be approved by the CCB as
5 required by Nevada law regardless of the Receivership Court's approval and entry of the
6 Sale Order. If entry of the Sale Order and the contemplated NNV Liquidation cannot occur
7 within six (6) months of the CCB's approval of this Stipulation and Order, despite the
8 Receiver's best efforts to do so, the Receiver shall provide at least thirty (30) calendar days
9 advanced notice to the CCB in writing, and the Parties agree to work together in good faith
10 to agree on a reasonable extension.

11 35. Conditions for potential new owners, including 21st Street. The Receiver shall
12 apprise potential buyers that the CCB will condition any Transfer of Interest such that the
13 Suttons shall not be involved with NNV's daily operations nor take on any managerial
14 positions in the future, and, except as through their claim as creditors as "John & Julie
15 Sutton 2018 Revocable Living Trust" submitted to the Receiver for his consideration, the
16 Suttons shall not receive any proceeds from the sale of the Cannabis Licenses. The Receiver
17 shall apprise any potential buyers that the CCB may condition any Transfer of Interest on
18 new owners affirmatively addressing their plans to ensure timely tax payments to the
19 Department which could include retention of an bookkeeper and/or CPA.

20 36. Resolution of the Tax Dispute. NNV, 21st Street, and the Department all mutually
21 agree to settle and resolve the tax dispute, as outlined in Paragraph 15 above and this
22 Paragraph ("Tax Disputes"). 21st Street will make a single lump-sum payment to the
23 Department in the amount of \$350,000.00 within 30 (thirty) days of written notice of
24 approval of this Stipulation and Order by the NTC and the CCB, and the CCB's approval
25 of the Transfer of Interest for the Cannabis Licenses to 21st Street whichever approval is
26 latest, in good funds (the "Taxation Lump Sum Payment"). Payment of the Taxation Lump
27 Sum Payment in accordance with the terms provided in this Paragraph releases 21st Street
28 from any further liability regarding the Assumed Tax Debt. The Department reserves all

rights to pursue collection (not from 21st Street) of the remaining amounts owed by NNV to the Department, including amounts guaranteed by certain individuals.

37. Penalties for Failure to Comply with conditions for resolution of Tax Dispute. Failure of 21st Street to comply with any of the terms of this Stipulation and Order shall render 21st Street in breach and nullify and void this Stipulation and Order as it applies to the resolution of the Tax Disputes. If a breach occurs and the Stipulation and Order is null and void, 21st Street will again be liable for the Assumed Tax Debt. The Department shall be authorized to pursue any and all available remedies against 21st Street.

38. Proceeds from Liquidation. NNV, the Receiver, and 21st Street understand and agree that the proceeds from the Liquidation will be distributed first towards the CCB's civil penalties, next toward the remaining balance of unpaid taxes, penalties (other than civil penalties), and interest pursuant to the deficiency set forth by the Department, and then towards the outstanding civil penalties from NNV's prior disciplinary action TID No.: 1034307770-001. After these payments are distributed, the remaining payments may be distributed pursuant to NRS 32.335 or other applicable Nevada law. However, as noted above, except as through their claim as creditors as "John & Julie Sutton 2018 Revocable Living Trust" submitted to the Receiver for his consideration, the Suttons shall not receive any proceeds from the sale of the Cannabis Licenses.

39. Agent Cards. Any Cannabis establishment agent registration card for a cannabis executive issued for NNV prior to the Receivership Action by the CCB or equivalent card issued by the CCB's predecessor agency, the Department of Taxation Nevada Marijuana Enforcement Division, are deemed expired. Any persons obtaining ownership interest in NNV after the Receivership Action must apply to obtain new Cannabis establishment agent registration cards for a cannabis executive for NNV pursuant to the requirements in Title 56 of the NRS and/or the regulations in force pursuant to Title 56 of the NRS.

40. Contingency if Approval Denied by the CCB. If approval of this Stipulation and Order is denied by the CCB, NNV, and counsel for the CCB, agree to resume settlement negotiations in good faith and attempt to reach an agreement to amend this Stipulation

1 and Order and resubmit an amended Stipulation and Order to the CCB, as applicable, to
2 review for approval at its next regularly scheduled meeting. If such an agreement cannot
3 be reached, the Parties agree that this matter will proceed to a disciplinary hearing before
4 the CCB's assigned hearing officer in the ordinary course. Should the Administrative
5 Action proceed for the reasons set forth in this Paragraph, the CCB preserves all its claims
6 and arguments in the Administrative Action as set forth in its Complaint in CCB Case No.
7 2021-054, and NNV preserves all its defenses and arguments set forth in its Answer and
8 withdraws all waivers set forth herein. An unapproved Stipulation and Order shall not be
9 admissible as evidence or referenced in argument at any disciplinary hearing in CCB Case
10 No. 2021-054 or any other matter involving the CCB.

11 41. Contingency if Approval Conditioned by the CCB. If the CCB approves this
12 Stipulation and Order but said approval is contingent on certain conditions, the Parties
13 will undertake further good faith negotiations to include said conditions in an amended
14 Stipulation and Order for execution by the CCB Chair. If NNV does not agree to the specific
15 conditions imposed by the CCB, the Parties will undertake additional negotiations and
16 attempt to reach an agreement to amend this Stipulation and Order and resubmit an
17 amended Stipulation and Order to the CCB to review for approval at its next regularly
18 scheduled meeting. If such an agreement cannot be reached, the Parties agree that this
19 matter will proceed to a disciplinary hearing before the CCB's assigned hearing officer in
20 the ordinary course. Should the Administrative Action proceed for the reasons set forth in
21 this Paragraph, the CCB preserves all its claims and arguments in the Administrative
22 Action as set forth in its Complaint in CCB Case No. 2021-054, and NNV preserves all its
23 defenses and arguments set forth in its Answer and withdraws all waivers set forth herein.
24 An unapproved Stipulation and Order shall not be admissible as evidence or referenced in
25 argument at any disciplinary hearing in CCB Case No. 2021-054 or any other matter
26 involving the CCB.

27 42. Approval by the NTC. In the event this Stipulation and Order is not approved in
28 whole by NTC, it shall be deemed withdrawn without prejudice to any claims, positions, or

1 contentions that either party may have made, and no part of this Settlement Agreement
2 shall be admissible in evidence or in any way described or discussed in any proceeding
3 hereafter. The NTC's approval of this Stipulation and Order shall not constitute approval
4 of or a precedent regarding, any principle or issue for any other purpose or for any other
5 party except those involved herein.

6 43. Closure of Disciplinary Action. Once NNV fully performs this Stipulation and
7 Order, the CCB's Administrative Action will be closed.

8 44. Closure of Tax Dispute. This Stipulation and Order with 21st Street is a full and
9 complete resolution of 21st Street's tax liabilities for the Assumed Tax Debt. The
10 Department reserves the right to re-open this matter and void this Stipulation and Order,
11 as it pertains to the Tax Disputes, in the event that any of the representations, statements,
12 acknowledgments, or allegations delineated herein by 21st Street is found to be untrue or
13 incorrect.

14 45. Communications with CCB and NTC Members. NNV, the Receiver, and 21st
15 Street understand that this Stipulation and Order will be presented to the CCB and NTC
16 in an open session at a duly noticed and scheduled meeting. NNV and 21st Street
17 understand that the CCB and the NTC have the right to decide at their own discretion
18 whether or not to approve this Stipulation and Order. The CCB and the Department's
19 counsel, which is the Nevada Attorney General and its staff attorneys, will recommend
20 approval of this Stipulation and Order. In the course of seeking the CCB's acceptance of
21 this Stipulation and Order, counsel for the CCB may communicate directly with individual
22 CCB Members. In the course of seeking NTC approval of this Stipulation and Order,
23 counsel for the Department with the NTC via a NRS 241.015(3)(b)(2) meeting. NNV, the
24 Receiver, and 21st Street acknowledge that such communications may be made or
25 conducted *ex parte* without notice or an opportunity for NNV, the Receiver, and 21st Street
26 to be heard on its part until the public meeting where this Stipulation and Order is
27 discussed and that such contacts and communications may include, but may not be limited
28 to, matters concerning this Stipulation and Order, the Administrative Action and any and

1 all information of every nature whatsoever related to these matters. NNV, the Receiver,
2 and 21st Street agree that it has no objections to such *ex parte* communications. The CCB
3 agrees that NNV, the Receiver, and 21st Street, or its respective counsels on their behalf,
4 may appear at the meeting where this Stipulation and Order is discussed and, if requested,
5 respond to any questions that may be addressed to NNV and/or the Attorney General's staff
6 attorneys. NNV, the Receiver, and 21st Street agree that should the CCB decline to approve
7 this Stipulation and Order, they will not contest or otherwise object to any CCB Member
8 and/or CCB appointed hearing officer hearing and adjudicating the Administrative Action
9 as it pertains to the CCB based on the aforementioned *ex parte* communications with
10 anyone from the Office of the Attorney General. Similarly, should the NTC decline to
11 approve this Stipulation and Order, the NNV, the Receiver, or 21st Street will not contest
12 or otherwise object to any NTC member and/or Department administrative law judge
13 hearing and adjudicating Administrative Action as it pertains to the Department and/or
14 NTC, or any other administrative tax case related to matters referenced herein, or appeals
15 of the same to the NTC, based on the aforementioned *ex parte* communications with anyone
16 from Office of the Attorney General.

17 46. Release. NNV, the Receiver, and 21st Street agree that the State of Nevada, the
18 CCB, the Department, the Office of the Attorney General, and each of their members, staff,
19 attorneys, investigators, experts, hearing officers, consultants, and agents are immune
20 from any liability for any decision or action taken in good faith in response to information
21 and data acquired by the CCB or Department. NNV, the Receiver, and 21st Street agree to
22 release the State of Nevada, the CCB, the Department, the NTC, the Office of the Attorney
23 General, and each of their members, staff, attorneys, investigators, experts, hearing
24 officers, consultants, and agents from any and all manner of actions, causes of action, suits,
25 debts, judgments, executions, claims, and demands whatsoever, known or unknown, in law
26 or equity, that Parties ever had, now have, may have or claim to have against any and/or
27 all of the persons, government agencies or entities named in this Paragraph, arising out of,
28 or because of, the CCB's investigation of the matters outlined in its Complaint in CCB Case

No, 2021-054 the matters outlined in this Stipulation and Order, including but not limited to the resolution of Tax Disputes, or the administration of Case No. 2021-054.

47. Release of Prior Potential Disciplinary Action against NNV. Pursuant to the specific facts of this case and the resolution reached in this Stipulation and Order, the CCB agrees that it will not pursue or file any future formal complaint for disciplinary action against NNV related to violations of Title 56 of the NRS and the NCCR that occurred on or before the CCB conditionally approved the Receiver on April 27, 2022. Nothing in this Stipulation and Order prohibits the CCB from auditing, investigating, NNV and pursuing disciplinary actions related to violations of Title 56 of the NRS and the NCCR that occurred or continued to occur after the CCB conditionally approved the Receiver on April 27, 2022. Further, nothing in this Stipulation and Order prohibits the CCB from bringing any disciplinary actions against individual cannabis agent registration card holders working on behalf of NNV. Finally, this Stipulation and Order does not preclude the Department from conducting an audit for NNV and pursuing any tax liabilities if the Department chooses to do so.

48. Potential Future Action Against NNV. The Parties agree that, pursuant to the specific facts of this case and the resolution reached in this Stipulation and Order, the progressive disciplinary provisions of NCCR 4.050(2) and NCCR 4.060(2) of three (3) years shall apply. Any additional Category III and/or Category V violations within the three-year period would invoke the progressive disciplinary provisions NCCR 4.050(2) and NCCR 4.060(2). The CCB contends that said three-year period commences on the date the CCB approves this Stipulation and Order. NNV and 21st Street contend that this three-year period commences on the date the CCB filed its Complaint on November 30, 2021. The Parties agree that this issue shall be deferred for resolution until there is disciplinary action against NNV within the three-year disputed time frame. If there is no disciplinary action against NNV within three (3) years after the CCB approves this Stipulation and Order, the Parties agree this issue shall be moot. If there is such disciplinary action within that three (3) years, NNV and 21st Street reserve its rights to raise its contention that the

three-year progressive disciplinary time period ended on November 31, 2024, as an affirmative defense in such later disciplinary action and the issue will be adjudicated in that later administrative action, pursuant to Title 56 of the NRS and the NCCR or such regulations in force under those statutes at that time, which will be subject to judicial review when final. Regardless, after any such three-year period expires, the CCB may still consider the compliance history of NNV, as provided in the NCCR or such regulations in force under Title 56 of the NRS. In any future disciplinary action involving NNV, the CCB may take into consideration NNV's new ownership and 21st Street's cooperation in the resolution of this Administrative Action.

49. No Precedence. Except as provided in Paragraphs 36, 47, & 48 and this Paragraph, the Parties agree that this Stipulation and Order shall not constitute a precedent for any other issues or proceedings before the CCB or the Department or the NTC and/or in any other forum other than those set forth in this Stipulation and Order, and shall not be admissible in any other proceeding or action with respect to proof of fact or any other matter and/or any other licensee and/or cannabis establishment, except proceedings brought to enforce this Stipulation and Order under its terms and/or for the CCB's consideration of future disciplinary action against this Respondent. As every case concerns different facts and details, this Stipulation does not act as precedence or persuasive authority to bind CCB to impose any particular penalty, to charge or allege any particular violation, and/or to impose any particular disciplinary action in the future for this Respondent, or any other respondent, for violations of the same statutes and/or regulations addressed in this Stipulation and Order. Likewise, CCB is not bound by any previous settlement agreements it has approved in entering into this Stipulation and Order. With respect to progressive discipline, the CCB agrees to consider as a mitigating factor the change of ownership of NNV from the Suttons in future discipline is contemplated by the CCB. This Stipulation and Order will have no precedential effect before the Department or the NTC or with regard to any matter involving the Department or NTC in any other forum, or with regard to any other taxpayer, as administrative bodies

are not bound by stare decisis. *Desert Irr., Ltd. v. State*, 113 Nev. 1049, 1058 (1997). This Stipulation and Order does not imply any Departmental policy with respect to the taxability or non-taxability of any of 21st, or NNV's, business activities. This Stipulation and Order shall not constitute a precedent for any other issues or proceedings concerning the Department or 21st Street other than those set forth in this Stipulation and Order and shall not be admissible in any other proceeding or for any other period with respect to any other matter, except proceedings brought to enforce this Stipulation and Order under its terms.

50. Attorneys' Fees and Costs. The Parties each agree to bear their own attorneys' fees and costs.

51. Further Assurances. The Parties shall cooperate in executing such additional documents and performing such further acts as may be reasonably necessary to give effect to the purposes and provisions of this Stipulation and Order.

52. Voluntary and Informed Agreement. NNV, the Receiver, and 21st Street represent that its signatories to this Stipulation and Order, as well as its owners, officers, and/or its directors, who are responsible for and able to legally bind their respective entities, have read completely and understand fully the terms of this Stipulation and Order, that such terms are fully understood and voluntarily accepted by them in advance of and as memorialized by the signing of this Stipulation and Order, and that their signature to this Stipulation and Order indicates same. NNV, the Receiver, and 21st Street further represent that it has voluntarily entered into this Stipulation and Order to make a full, final, and complete compromise upon the terms and conditions set forth herein. NNV, the Receiver, and 21st Street further represent that any releases, waivers, discharges, covenants, and agreements provided for in this Stipulation and Order have been knowingly and voluntarily granted and without any duress or undue influence of any nature from any person or entity. NNV, the Receiver, and 21st Street further represent that no promise or inducement has been offered except as set forth in this Stipulation and Order, that this Stipulation and Order is executed without reliance upon any statement or representation

1 except as contained herein. The Parties, and each of them, hereby expressly acknowledge
2 that they are each represented by competent, independent counsel of their own choosing in
3 this matter and have been advised by counsel accordingly.

4 53. Warranties of Authority. The Parties to this Stipulation and Order, and each of
5 them, expressly warrant and represent to all other Parties that each has the full right, title,
6 and authority to enter into and to carry out its obligations hereunder, with the sole
7 exception of the required approval of this Stipulation and Order by the CCB, the NTC, and
8 the Receivership Court. The Parties also expressly acknowledge the foregoing authority.

9 54. Binding Effect. This Stipulation and Order shall be binding upon and inure to the
10 benefit of the Parties hereto and the Parties' respective successors, predecessors, parents,
11 affiliates, shareholders, employees, heirs, executors, assigns, and administrators.

12 55. Construction. The headings of all Sections and Paragraphs of this Stipulation and
13 Order are inserted solely for the convenience of reference and are not a part of the
14 Stipulation and Order, and are not intended to govern, limit, or aid in the construction or
15 interpretation of any term or provision of this Stipulation and Order. In the event of a
16 conflict between such caption and the Paragraph at the head of which it appears, the
17 Paragraph and not such caption shall govern in the construction of this Stipulation and
18 Order.

19 56. Governing Law. This Stipulation and Order shall be governed by and construed in
20 accordance with the laws of the State of Nevada without reference to conflict of law
21 principles.

22 57. Jurisdiction and Forum Selection. The Parties consent to the jurisdiction of the
23 Receivership Court to resolve any disputes related to the terms or enforcement of this
24 Stipulation and Order. The successful or prevailing Party or Parties in such action shall be
25 entitled to recover reasonable attorney fees, costs, and expenses actually incurred in
26 initiating or responding to such proceeding, in addition to any other relief to which it may
27 be entitled.

28 58. Interpretation. This Stipulation and Order results from negotiations among the

1 Parties who have each negotiated and reviewed its terms. In the event a Court ever
2 construes this Agreement, the Parties expressly agree, consent, and assent that such Court
3 shall not construe this Stipulation and Order or any provision hereof against any Party as
4 its drafter for purposes of interpreting any ambiguity or uncertainty in this Stipulation and
5 Order.

6 59. Conflicting Interpretation. In the event a conflict exists between any term,
7 condition, or provision contained within this Stipulation and Order, and in any term,
8 condition, or provision contained within the APA or within any amendment or revised
9 version of the APA, the term, condition, or provision contained within this Stipulation and
10 Order shall control.

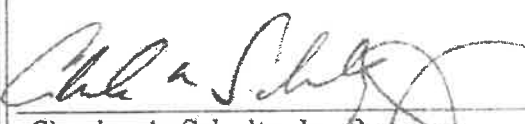
11 60. Time is of the Essence. Time is of the essence in the performance of all terms of
12 this Stipulation and Order.

13 61. Severability. If any portion of this Stipulation and Order, or its application thereof
14 to any person or circumstance, is held to any extent to be invalid, illegal, or unenforceable
15 as a matter of law, all remaining clauses of this Stipulation and Order and its application
16 thereof shall be not affected and shall remain enforceable to the fullest extent permitted by
17 law.

18 62. Counterparts and Copies. This Stipulation and Order may be executed in
19 counterparts, each of which, when so executed and upon delivery to counsel of record for
20 the Parties and/or the Parties, shall be deemed an original ("Counterparts"). This
21 Stipulation and Order is considered fully executed when Counterparts of this Stipulation
22 and Order have been signed by all the Parties and/or their counsel; such Counterparts
23 taken together shall be deemed to be the Agreement. This Stipulation and Order may be
24 executed by signatures provided by electronic facsimile or email, which signatures shall be
25 binding and effective as original wet ink signatures hereupon. All fully signed copies of this
26 Stipulation and Order are duplicate originals, equally admissible in evidence.

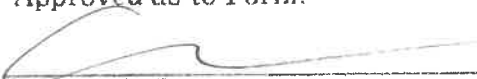
27 IN WITNESS WHEREOF, this Stipulation and Order has been executed by the
28 Parties and attested by their duly authorized representatives as of the date(s) so indicated

1 The Effective Date of this Stipulation and Order shall be the latest date of the date it is
2 ordered by the CCB, approved by the NTC, or approved by the Receivership Court.

3
4
5 
6 Charles A. Schultz Jr., *Respondent*
7 On behalf of Respondent,
8 NNV OPERATIONS I, INC.


Date: 11/17/23

9 Approved as to Form:

10 
11 Candace C. Carlyon, Esq.
12 Counsel for Receiver Charles A. Schultz Jr.,

Date: 11/17/23

13 Approved as to Form:


14 
15 Jeffrey F. Barr, Esq. (Bar No. 7269)
16 Attorneys for Respondent
17 NNV OPERATIONS I, INC.

Date: 17 November 2023

18 
19 Ed Alexander
20 Representative/signatory 21st Street LLC
21 21ST STREET LLC

Date: 11/17/2023


22 Approved as to Form:

23 
24 Lee Iglody Esq. (Bar No. 7757)
25 Counsel for 21ST STREET LLC

Date: 11/17/23

26
27 Shellie Hughes, Executive Director
28 Nevada Department of Taxation

Date: _____

29 
30 Emily N. Bordelove, Esq. (Bar No. 13202)
31 Senior Deputy Attorney General
32 Attorneys for the Cannabis Compliance Board

11/20/2023

Date: _____

1 The Effective Date of this Stipulation and Order shall be the latest date of the date it is
2 ordered by the CCB, approved by the NTC, or approved by the Receivership Court.

3
4
5
6 _____ Date: _____
7 Charles A. Schultz Jr., Receiver,
8 *On behalf of Respondent,*
9 NNV OPERATIONS I, INC.

10 Approved as to Form:

11 _____ Date: _____
12 Candace C. Carlyon, Esq.
13 Counsel for Receiver Charles A. Schultz Jr.,

14 Approved as to Form:


15 _____ Date: _____
16 Jeffrey F. Barr, Esq. (Bar No. 7269)
17 *Attorneys for Respondent*
18 NNV OPERATIONS I, INC.

19 _____ Date: _____
20 Ed Alexander
21 *Representative/signatory 21st Street LLC.*
22 21ST STREET LLC

23 Approved as to Form:

24 _____ Date: _____
25 Lee Iglody Esq. (Bar No. 7757)
26 Counsel for 21ST STREET LLC

27 _____ Date: 12/18/2023
28 
Shellie Hughes, Executive Director
Nevada Department of Taxation

29 _____ Date: 11/202/2023
30 
Emily N. Bordelove, Esq. (Bar No. 13202)
Senior Deputy Attorney General
Attorneys for the Cannabis Compliance Board

1 David J. Pope

2 Date: 11/20/2023

3 David J. Pope Esq. (Bar No. 8617)
4 Chief Deputy Attorney General
Attorneys for the Nevada Department of Taxation

5 Kayla D. Dorame

6 Date: 11/20/2023

7 Kayla D. Dorame, Esq. (Bar No. 15533)
Deputy Attorney General
Attorneys for the Nevada Department of Taxation

8 **ORDER**

9 WHEREAS, on 12th day of December, 2023, the Nevada Cannabis
10 Compliance Board approved and adopted all the terms and conditions set forth in the
11 Stipulation and Order for Settlement of Disciplinary Action with NNV OPERATIONS I,
12 INC.

13 IT IS SO ORDERED.

14 SIGNED AND EFFECTIVE this 12th day of December, 2023.

16 **STATE OF NEVADA,
CANNABIS COMPLIANCE BOARD**

18 By: [Signature]

19 ADRIANA GUZMAN FRALICK, CHAIR

EXHIBIT “A”

EXHIBIT “A”

THIS AGREEMENT IS SUBJECT TO STRICT REQUIREMENTS FOR ONGOING REGULATORY COMPLIANCE BY THE PARTIES HERETO, INCLUDING, WITHOUT LIMITATION, SECTION 8.3(D) OF THIS AGREEMENT THAT CONTAINS SPECIFIC REQUIREMENTS AND COMMITMENTS BY THE PARTIES TO MAINTAIN FULLY THEIR RESPECTIVE COMPLIANCE WITH THE NEVADA CANNABIS LAWS AND THE REGULATORY AUTHORITIES. THE PARTIES HAVE READ AND FULLY UNDERSTAND THE REQUIREMENTS OF SECTION 8.3(D). THIS AGREEMENT IS ALSO SUBJECT TO APPROVAL BY THE EIGHTH JUDICIAL DISTRICT COURT FOR CLARK COUNTY NEVADA AND THE CANNABIS COMPLIANCE BOARD FOR THE STATE OF NEVADA IN ORDER TO BE EFFECTIVE.

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement"), dated as of the 30th June 2023 (the "Agreement Date"), and entered into by NNV Operations I, Inc., a Nevada corporation, by and through its Court-Appointed Receiver, Charles A. Schultz Jr. ("Seller" or "Transferor") and 21st Street, LLC, a Nevada limited liability company ("Buyer"). Seller and Buyer are at times referred to herein as the "Parties" and each a "Party."

RECITALS

A. NNV is a Nevada cannabis enterprise (the "Business") holding Nevada license Nos. RP091, RC141, C141, P091(collectively, the "Marijuana Licenses").

B. The State of Nevada, Cannabis Compliance Board, ("CCB") initiated a disciplinary action against NNV designated as 2021-54 related to the failure to pay taxes, among other allegations (the "Administrative Action").

C. While the Administrative Action was pending, on April 20, 2022, the Eighth Judicial District Court, in and for the County of Clark, State of Nevada (the "Court"), entered the *Order Granting Appointment of Receiver* appointing Larry L. Bertsch CPA & Associates, LLC as Receiver (the "Bertsch") over NNV in the case designated as A-22-849400-B (the "Receivership Case"). The Receiver's appointment was approved by the CCB on a final basis on May 24, 2022. On April 17, 2023, the Court granted the Joint Motion for Replacement of Receiver in the Receivership Case (the "Receivership Order") appointing Charles A. Schultz Jr. (the "Receiver") as the replacement receiver for NNV. On April 25, 2023, the CCB also approved Mr. Schultz's appointment as Receiver.

D. Buyer was formed as a rescue company to salvage the assets of NNV and has been financing all critical costs of NNV and its Business through a line of credit (the "Line of Credit") that is subject to separate UCC-1 Financing Statement properly filed by Buyer. The Line of Credit has a balance of \$1,468,759.90 as of December 31, 2022. The Parties intend to release this lien at Closing.

E. On or about July 24, 2022, NNV and Buyer entered into that certain Commercial Lease Agreement, with an effective date of April 30, 2022(the "Lease Agreement"), pursuant to which NNV leased the real property commonly known as 895 S. 21st Street, Sparks, NV 89431,

designated as APN 034-010-66, consisting of a building with 40,343 rentable square feet and land area of approximately 3.35 acres (the "Leased Property") from Buyer.

F. Prior to the Receiver's appointment by the Court and the CCB, NNV used certain equipment owned by SJ3D Holdings Inc., a Nevada corporation ("SJ3D") to conduct the Business. That equipment is more particularly described as follows: (1) CO2 Extractor; (1) 25HP Screw Air Compressor, (1) BHO Extractor, (3) Vacuum Ovens, (1) Chiller – Cooling Liquid Circulating Pump, (1) Haskell Pump, (1) Grinder, (1) Avantco Reach-In Freezer, (1) Chocovision Chocolate Tempering Machine; [(1)] Steel Table, [(1)] Storage Bin, (1) Mixer, (1) Rotary Flour Sifter, and (1) Various Kitchen Equipment (collectively, the "SJ3D Equipment"). NNV and SJ3D have many shareholders in common and are affiliated companies.

G. Larry L. Bertsch of Larry L. Bertsch CPA & Associates was also appointed as Receiver for SJ3D via the Order Appointing Receiver for SJ3D Holdings Inc., a Nevada corporation (the "SJ3D Receivership Order" and together with the NVV Receivership Order, the "Receivership Order") entered on October 20, 2022, in the Receivership Case.

H. The SJ3D Equipment is subject to separate UCC-1 Financing Statements properly filed (the "UCC-1 Liens") by Seven Shores Investments LLC, a Nevada limited liability company, the Ron Verstappen Living Trust, and Devon Road Investments LLC, a Nevada limited liability company (collectively, the "Lienholders"). The total amount of debt secured through the UCC-1 Liens is no less than \$4,854,334.24 (the "Equipment Liabilities"). The UCC-1 Liens shall be released by Closing.

I. The Equipment and the Equipment Debt were transferred and assigned by SJ3D to NNV prior to the execution of this Agreement so that the assets necessary to conduct the Business can be sold by the Receiver to Buyer in one transaction, as this results in the maximum value for the Receivership Estate as a whole and is a reasonable exercise of the Receiver's business judgment.

J. Seller desires to sell and assign to Buyer and Buyer desires to purchase and assume from Seller all right, title and interest of the Seller in substantially all of its assets, properties and rights as the same shall exist as of the Agreement Date, of every kind, type or designation, whether tangible or intangible, known or unknown, real, personal or mixed, wherever located other than the Excluded Assets (as defined herein) in accordance with the terms and subject to the conditions set forth herein, and subject to the final approval of the Court in the Receivership Case and the CCB in the Administrative Action as discussed herein (the "Transaction").

K. Subject to approval by the Court and the CCB, the Purchased Assets (as defined below) will be sold pursuant to the Sale Order (as defined herein) entered by the Court in the Receivership Case, authorizing the sale of the Purchased Assets free and clear of any liens, claims, and encumbrances, as more fully set forth in the Sale Order and in accordance with the terms and conditions of this Agreement.

L. The deadline for filing claims in the Receivership Case for creditors holding claims against Seller that arose prior to the appointment of the Receiver was February 1, 2023 (the "Claims Bar Date").

M. NNV is currently negotiating a settlement with the CCB regarding the payment of delinquent taxes, fees, and other fines in the agreed amount of \$77,500 (the “CCB Penalties”), as the same may be amended with the consent of the Buyer prior to or post-Closing (the “CCB Settlement”). The CCB Penalties will be assumed by Buyer and paid pursuant to the CCB as agreed to in the CCB Settlement.

N. Pursuant to the Proof of Claim submitted in the Receivership Case by the State of Nevada Department of Tax (the “Nevada DOT”), NNV owes delinquent and unpaid taxes in the amount \$824,156.13 as of November 3, 2022 (the “Delinquent Taxes”). Prior to the Receiver’s appointment, former officers and owners of NNV entered into a repayment plan with the Nevada DOT requiring the Delinquent Taxes to be repaid by making monthly payments in the amount of \$8,000 each and continuing each and every month until the taxes assessed by the Nevada DOT have been paid in full (the “DOT Settlement”).

O. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in Appendix A annexed hereto.

NOW, THEREFORE, in consideration of the above Recitals, which are incorporated herein by this reference, and the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in exercise of the Receiver’s business judgment and subject to the approval of the Court in the Receivership Case and the CCB in the Administrative Action, the Seller desires to sell, transfer, and assign to Buyer, the Purchased Assets (as defined herein) and Buyer desires to purchase such Purchased Assets, on the terms set forth herein.

AGREEMENT

ARTICLE 1 **PURCHASE AND SALE OF ASSETS**

1.1 Purchase of Assets. Pursuant to Nevada Revised Statutes Chapter 32, including NRS 32.215, and subject to the terms and conditions set forth herein and the Sale Order, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase from Seller, all of Seller’s right, title and interest in all assets that relate to, or are used or held for the use in connection with the Business (the “Purchased Assets”). The Purchased Assets shall include the following assets of the Business as of the date of Agreement Date:

- (a) The Marijuana Licenses.
- (b) All accounts receivable, notes receivable, and employee receivables, and any security, claim, remedy or other right related to any of the foregoing, whether accruing before or after the Closing Date (the “Accounts Receivable”).
- (c) All fixed assets and tangible personal property, including, the SJ3D Equipment, other equipment, furniture, fixtures, machinery, tools, vehicles, data processing and office equipment, supplies, computers, and telephones, including all tangible personal property listed in Section 1.1(c) of the Disclosure Schedules.

(d) All contracts generating or contributing to Seller's revenues and any and all contracts between NNV and any third-party vendor necessary to operate the Business, as listed in Schedule 1.1(d) of the Disclosure Schedules (the "Assumed Contracts"), and as otherwise agreed to by the Buyer and Seller.

(e) All inventory, packaging, supplies, parts and other inventories, including new and used linens, and including all inventory listed in Section 1.1(e) of the Disclosure Schedules ("Inventory").

(f) Originals, or where not available, copies, of machinery and equipment maintenance files, customer lists, customer purchasing histories, price lists, distribution lists, supplier lists, invoices, quality control records and procedures, customer complaints and inquiry files, records and data (including all correspondence with any Governmental or Regulatory Authority including the Nevada DOT and the CCB), sales material and records (including pricing history, total sales, terms and conditions of sale, sales and pricing policies and practices), and marketing and promotional surveys ("Books and Records").

(g) The Lease Agreement dated July 24, 2022, and all amendments thereto, between Seller and Buyer with respect to the Leased Property.

(h) All leasehold improvements with respect to the Leased Property (the "Leasehold Improvements").

(i) The CCB Settlement in the Administrative Action regarding the payment of taxes, fees, and fines as set forth on the schedule included therein, as may be amended with the consent of the Buyer prior to Closing.

(j) The DOT Settlement between NNV and the DOT regarding payment of Delinquent Taxes.

(k) All going concern value and goodwill of the Business.

(l) All know-how, confidential or proprietary information, technical information, data, process technology, plans and drawings of Seller relating to the operations of the Business and all employee manuals relating to the Business.

(m) Any rights Seller may have in the name of the Business, and all Intellectual Property owned by Seller including related Intellectual Property Agreements.

(n) All prepaid expenses, advance payments, security, refunds, and deposits to the extent related to the Business, the Purchased Assets or the Assumed Liabilities.

(o) All Permits that are held by Seller and required for Seller to conduct the Business as currently conducted or for the ownership and use of the Purchased Assets, to the extent such Permits are transferable.

(p) All insurance benefits, including rights and proceeds, arising from or relating to the Business, the Purchased Assets or the Assumed Liabilities.

(q) All of Seller's rights under warranties, indemnities and all similar rights against third parties to the extent related to the Business or any Purchased Assets or the Assumed Liabilities, if any.

(r) All rights to any actions of any nature available to Seller to the extent related to the Business or the Purchased Assets, whether arising by way of counterclaim or otherwise.

(s) All other assets used in the operation of the Business.

Buyer and Seller will enter into all customary instruments of transfer, assumption, filings, assignments or other documents, in form and substance reasonably satisfactory to the Parties, to evidence the transfer of the Purchased Assets from Seller to Buyer on the Closing Date.

1.2 Assumption of Liabilities. Subject to the terms and conditions set forth herein, Buyer shall assume and agree to pay, perform and/or discharge the liabilities and obligations set forth below as those liabilities and obligations relate to the Purchased Assets (collectively, the "Assumed Liabilities"):

(a) All NNV's Liabilities under the CCB Settlement, including, but not limited to, the CCB Penalties. The Parties expressly agree Buyer may accept or reject the final proposed CCB Settlement at its sole and unfettered discretion.

(b) All of Seller's Liabilities under the DOT Settlement and the DOT Proof of Claim dated November 3, 2022. The Parties expressly agree Buyer may accept or reject the final proposed DOT Settlement as its sole and unfettered discretion.

(c) All trade accounts payable (including supporting invoices) to third parties in connection with the Business accruing or invoiced after the Closing Date for work, services, materials, or products performed or provided to or purchased by Buyer by third parties.

(d) All Liabilities with respect to the Assumed Contracts.

(e) All other Liabilities associated with the Purchased Assets not otherwise identified herein, subject to final review and approval of the Closing Certificate by the Buyer.

(f) All reasonable professional fees of the Receiver from April 1, 2023 and for his counsel incurred in connection with the Receivership Case from May 1, 2023.

1.3 Excluded Assets and Liabilities. Buyer shall not assume and shall not be responsible to pay, perform or discharge any liabilities of Seller of any kind or nature whatsoever other than the Assumed Liabilities with respect to any liabilities (the "Excluded Liabilities")

associated with any excluded assets specifically disclosed on Schedule 1.3 hereto (the “Excluded Assets”).

1.4 Purchase Price. Buyer will pay Seller the total estimated sum of \$90,456 in cash on the Closing Date comprised of accrued and unpaid professional fees as of March 31, 2023, less any amounts already paid to Seller by Buyer towards such fees during the period from the Agreement Date through the Closing Date (the “Transition Period”) on account of the professional fees incurred by the Receiver, the Receiver’s counsel, and/or Regulatory counsel for Seller, any amount required to be paid by the Nevada DOT in connection with the DOT Settlement, and any additional amount required by the Court pursuant to the Sale Order payable to an account designated in writing by Seller prior to the Closing, by wire transfer of immediately available funds to such accounts and in such amounts as Seller designates in writing to Buyer (the “Cash Payment”). The funds will be allocated according to a “Pre-Closing Statement” provided by the Seller to the Buyer, setting forth the amounts payable for any: (a) unpaid fees, attorneys’ fees and/or costs of the Receiver, the Receiver’s counsel, and Regulatory counsel for NNV; (b) any amount required to be paid by the Nevada DOT in connection with the DOT Settlement; and (c) any additional amount required by the Court pursuant to the Sale Order; as well as (d) an itemization of Assumed Liabilities (the “Pre-Closing Statement”). The purchase price will consist of the Cash Payment as well as other consideration of Buyer, including, but not limited to, a credit for Buyer’s payment of ongoing expenses of NNV and SJ3D in the amount of \$1,639,796.75 as of April 18, 2023, plus any additional expenses paid by Buyer during the Transition Period, plus approximately \$1,701,455.38 in Assumed Liabilities, for an estimated total Purchase Price of \$3,431,709.09 (the “Purchase Price”). The amount of the Cash Payment may increase to include professional fees incurred and not paid from April 1, 2023 through Closing as set forth in Section 1.2(f) of this Agreement, and will be confirmed via the Pre-Closing Statement provided to Buyer discussed herein. The Parties aim to avoid imposing any tax obligations on the Seller through this agreement. Therefore, the Purchase Price may be modified during the closing to prevent the Seller from incurring any capital gains or income tax liabilities resulting from the purchase transaction. Specifically, both Parties intend to ensure that the total Purchase Price at Closing does not exceed the net book value of the Seller’s assets.

1.5 Closing Receivables and Payables. On the day prior to the Closing, Seller shall deliver to Buyer a statement setting forth the total amount of Seller’s estimated Accounts Receivable and Payables as of 11:59 p.m. on the day of the Closing (the “Closing Certificate”), which will include any incurred and unpaid professional fees of the Receiver, Receiver’s Counsel and Regulatory Counsel for NNV incurred during the Transition Period, including an estimate for fees related to the filing of the Receiver’s Final Report and Accounting contemplated by Section 1.8 below including any fees associated with obtaining approval of the Court in the Receivership Case and an order discharging the Receiver from any further obligations (the “Transition Professional Fees”). The Closing Certificate will attach copies of invoices supporting the Transition Professional Fees which will be paid by Buyer on the Closing Date.

1.6 Transfer Taxes. Buyer and Seller agree that the Purchase Price is exclusive of any transfer taxes imposed by any Regulatory or Governmental Authority (the “Transfer Taxes”). Buyer shall promptly pay directly to the applicable tax authority all applicable Transfer Taxes that may be imposed upon or payable or collectible or incurred in connection with this Agreement or

the transactions contemplated herein. The Parties will reasonably cooperate with respect to the preparation and filing of all Tax Returns required to be filed in connection with any such Transfer Taxes. Buyer will be responsible for the payment of any and all costs.

1.7 Final Tax Return and Dissolution of NNV. Within five (5) Business Days of the Closing, the Receiver will file “Articles of Dissolution” with the Nevada Secretary of State for Seller and provide a conformed copy of the same to Buyer. It will be Receiver’s responsibility to prepare and file a final tax return with the IRS for NNV Operations I, Inc.

1.8 Discharge of Receiver. Within ten (10) Business Days of the filing of the final tax return for NNV, the Receiver will file his “Final Report and Accounting” for NNV and move the Court for approval the Receiver’s discharge in the Receivership Case.

ARTICLE 2 **CLOSING**

2.1 Closing. The final closing of the Transaction, when ownership of the Purchased Assets will be transferred to Buyer as described in this Section 2.1 (the “Closing”), will take place remotely via the electronic exchange of documents and signatures as soon as practicable following the satisfaction or waiver of the applicable conditions set forth in Article 6, and in any event, within 14-days after the receipt of the last of the Regulatory and/or Court Approvals, or on such other date as Buyer and Seller may mutually agree upon in writing (the “Closing Date”). The Closing will be deemed to have occurred at 12:01 a.m., Pacific Time, on the Closing Date.

2.2 Closing Deliverables of Seller. At the closing, Seller shall deliver to Buyer the following:

(a) A bill of sale in the form attached hereto as Exhibit A (the “Bill of Sale”), duly executed by Seller transferring the Purchased Assets to Buyer.

(b) An Assignment and Assumption Agreement in the form attached hereto as Exhibit B (the “Assignment and Assumption Agreement”) duly executed by Seller, effecting the assignment to and assumption by Buyer of the Assumed Contracts (including, without limitation, the CCB Settlement, the DOT Settlement, the Lease Agreement), and the Assumed Liabilities.

(c) The Closing Certificate executed by the Receiver on behalf of Seller.

(d) A copy of the Sale Order entered by the Court providing for the transfer of the Purchased Assets free and clear of liens.

(e) Possession of the Purchased Assets.

(f) Copies of third-party lien search results as of the date of this Agreement and the last business day before the Closing.

2.3 Closing Deliverables of Buyer. At Closing, the Buyer shall deliver to Seller the following:

- (a) The Assignment and Assumption Agreement duly executed by Buyer.
- (b) The Cash Payment portion of the Purchase Price.
- (c) Payment of the Transition Professional Fees.
- (d) Lien release for the UCC-1 Liens.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF SELLER

3.1 Representations and Warranties of Seller. Subject to the Cannabis Carve Out set forth in Section 8.11, Seller represents and warrants to Buyer that the representations and warranties set forth in this Article 3 are true and correct as of the Agreement Date and shall be true and correct on the Closing Date. Notwithstanding anything to the contrary provided in this Agreement (in addition to any specific exception to Federal Cannabis Laws and any similar Law set forth in this Article 3), all representations, warranties, covenants and disclosures of Seller in this Article 3 are being made with exception to and not with respect to Federal Cannabis Laws. The Seller shall promptly notify the Buyer of any material changes or new information regarding any liens, Encumbrances, or other liabilities, even after the execution of this Agreement, to ensure the Buyer is kept informed.

3.2 Organization and Authority to Conduct Business; Power and Authority; Binding Effect. Seller is duly organized, validly existing and in good status under the laws of the State of Nevada. Seller has corporate power and authority to conduct its business and to own and lease its properties and assets (except under Federal Cannabis Laws). Seller has, subject to the Parties obtaining all required Regulatory and Court Approvals, all necessary power and authority to execute, deliver and perform its obligations under this Agreement and consummate the Transaction (except under Federal Cannabis Laws). This Agreement constitutes a legal, valid, and binding obligation of Seller and Buyer, enforceable in accordance with its terms.

3.3 Compliance with CCB Settlement and DOT Settlement. Seller represents and warrants that NNV is in compliance with the CCB Settlement and has timely made the required payments under the CCB Settlement or has sought extensions to make required payments. Seller represents and warrants that it is in compliance with the DOT Settlement and has timely made the required payments under the DOT Settlement or has sought extensions to make required payments.

3.4 As Is Transaction. No other Representations and Warranties. Except for the representations, warranties and covenants of Seller expressly contained herein or in any certificate delivered hereunder, neither Seller nor its representatives, nor any other Person, makes any other express or implied warranty (including, without limitation, any implied warranty of merchantability or fitness for a particular purpose) on behalf of Seller, including, without limitation, (a) the probable success or profitability of ownership, use or operation of the Purchased Assets by Buyer after the Closing, (b) the probable success or results in connection with the

Regulatory Approvals, (c) the value of the Purchased Assets, which are being conveyed hereby on an "As Is", "Where Is" condition at the Closing Date, with all faults and without any warranty whatsoever.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF BUYER

4.1 Representations and Warranties of Buyer. Buyer has, or at the time of execution will have, all necessary power and authority to execute and deliver this Agreement and any ancillary agreements to which Buyer is or will become a party and to perform its obligations hereunder and thereunder.

4.2 No Brokers or Finders. No agent, broker, finder or investment or commercial banker, or other Person or firm engaged by, or acting on behalf of, Buyer in connection with the negotiation, execution or performance of this Agreement or the transactions contemplated by this Agreement is or will be entitled to any brokerage or finder's or similar fees or other commissions as a result of this Agreement or such transaction.

4.3 Financial Wherewithal. Buyer has, or at the time of Closing will have access to, all assets necessary to pay the Cash Payment portion of the Purchase Price pursuant to Section 1.4, subject to final review and approval of the Closing Certificate by the Buyer.

ARTICLE 5

PRE-CLOSING COVENANTS

5.1 Reasonable Best Efforts. During the period from the Agreement Date and continuing until the earlier of the termination of this Agreement or the Closing Date: Each Party will cooperate with the other Party and use its commercially reasonable efforts to promptly (a) take or cause to be taken all actions, and do or cause to be done all things, necessary, proper or advisable under this Agreement and the ancillary documents referenced in this Agreement and applicable Law to consummate and make effective the Transaction as soon as practicable, including preparing and filing promptly and fully all documentation to effect all necessary filings, notices, petitions, statements, registrations, submissions of information, applications and other documents, (b) obtain all approvals, consents, registrations, permits, authorizations and other confirmations required to be obtained from any third party and/or Governmental Authority necessary, proper or advisable to consummate the Transaction, and (c) execute and deliver such documents, certificates and other papers as a Party may reasonably request to evidence the other Party's satisfaction of its obligations hereunder. Subject to applicable Law relating to the exchange of information, the Parties will have the right to review in advance, and, to the extent practicable, each will consult the other Party on, any information relating to Seller or Buyer and their respective Affiliates, as the case may be, that appears in any filing made with, or written materials submitted to, any third party and/or any Governmental Authority in connection with the Transaction.

5.2. Applications for Regulatory Approval. Promptly following the execution of this Agreement, Seller and Buyer will prepare and submit the applicable application with the Regulatory Authorities in order to obtain the consent and approval of the Regulatory Authorities

for the transfer or substitution of Buyer as the owner of the Marijuana Licenses. Buyer will take all actions necessary to support the timely submission of the applications, and Seller will cooperate with Buyer in good faith to support the timely submission of the applications. Buyer and Seller agree to execute and deliver any forms required by the Regulatory Authorities for the transfer or substitution of Buyer as the owner of the Marijuana Licenses. Buyer and Seller shall promptly respond to requests for additional information, documents, forms or fees from any Regulatory Authorities with jurisdiction to approve the transfer or substitution of Buyer as owner of the Marijuana Licenses.

5.3 Sale Motion. Within 14 calendar days of the date this Agreement becomes fully executed, the Seller shall file a motion in the Receivership Case seeking Court approval of this Agreement and entry by the Court of the Sale Order approving the Transaction in its entirety (the “Sale Motion”). Buyer agrees to support the Sale Motion and cooperate with Seller in obtaining entry of the Sale Order.

ARTICLE 6

CONDITIONS PRECEDENT TO CLOSING

6.1 Conditions to Obligations of Each Party Under This Agreement. The respective obligations of each Party to effect the Transaction will be subject to the satisfaction at or prior to the Closing Date of the following conditions, any or all of which may be waived in writing by a Party with respect only to itself, in whole or in part, and only to the extent permitted by applicable Law:

(a) Proceedings.

(i) No Governmental Authority of competent jurisdiction will have enacted, issued, promulgated, enforced or entered, other than the Federal Cannabis Laws, any statute, rule, regulation, or Order (whether temporary, preliminary or permanent) that is in effect and has the effect of making the Transaction illegal or otherwise prohibiting consummation of the Transaction.

(ii) No Proceeding will have been commenced against any Party which could reasonably prevent the Closing to occur (either by way of injunction or other legal remedy).

(iii) There will be no other legal impediment to the Closing, except for the existence of the Federal Cannabis Laws.

(b) Marijuana Licenses. As of the Closing Date, the Marijuana Licenses shall be valid and in full force and effect with no proceeding pending other than the Administrative Action, to the Knowledge of Seller, threatened to revoke or limit any of the Marijuana Licenses, except for the CCB Settlement, which remaining penalties and fines will either be paid in full on the Closing Date with the Cash Payment portion of the Purchase Price, or assumed and paid by Buyer over time pursuant to a separate agreement with the CCB.

(c) Material Adverse Change. As of the Closing Date, there shall have occurred no Material Adverse Change between the Agreement Date and the Closing Date.

(e) Regulatory Approvals and Court Approvals. Buyer and Seller shall have received the Regulatory Approvals from the CCB for approval of the transfer of the Licenses to Buyer, and the Court shall have entered the Sale Order approving the terms of this Agreement as contemplated by Section 5.3 above.

(f) Purchased Assets. All of the Purchased Assets shall be transferred to Buyer in accordance with the terms of this Agreement.

(g) Ancillary Agreements. The ancillary agreements to this Agreement shall have been executed and delivered.

(h) The other Party shall have performed all of the other obligations required to be performed by it in accordance with the terms of this Agreement.

ARTICLE 7 **TERMINATION**

7.1 Termination. This Agreement may be terminated by written notice at any time prior to the Closing Date:

(a) By mutual consent of Buyer and Seller.

(b) By Buyer or Seller if the other party hereto fails or refuses to consummate the transactions contemplated hereby or to take any other action referred to herein necessary to consummate the transactions contemplated hereby after affording such defaulting party a five (5) day period after notice in which to cure such default.

(c) By Buyer or Seller if the conditions set forth in Section 6 are not satisfied.

ARTICLE 8 **MISCELLANEOUS**

8.1. Further Assurances. Each Party will cooperate in good faith with each other Party and will take all appropriate action and execute any agreement, instrument or other writing of any kind which may be reasonably necessary or advisable to carry out and consummate the Transaction.

8.2. Notices. Unless otherwise provided in this Agreement, any agreement, notice, request, instruction or other communication to be given hereunder by any Party to the other will be in writing and (a) delivered personally (such delivered notice to be effective on the date it is delivered), (b) deposited with a reputable overnight courier service for next Business Day delivery (such couriered notice to be effective one (1) Business Day after the date it is sent by courier; provided it is actually sent to be delivered on one (1) Business Day after the date it is sent;

otherwise, when actually delivered), (c) sent by e-mail (with electronic confirmation of delivery or receipt), as follows:

If to Seller: NNV Operations I, Inc.
c/o Charles A. Schultz
265 E. Warm Springs Road, Suite 107
Las Vegas, NV 89119
Email: interface1cas@gmail.com

With a copy to: Carlyon Cica Chtd.
Attn: Tracy M. O'Steen, Esq.
265 E. Warm Springs Road, Suite 107
Las Vegas, NV 89119
Attn: tosteen@carlyoncica.com

If to Seller: 21st Street LLC
895 S. 21st Street
Sparks, NV 89431

8.3. Governing Law: Dispute Resolution.

(a) Governing Law. All issues and questions concerning the application, construction, validity, interpretation, and enforcement of this Agreement shall be governed by and construed in accordance with the internal Laws of the State of Nevada, without giving effect to any choice or conflict of law provision or rule (whether of the State of Nevada or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of Nevada.

(b) Jurisdiction: Venue. The Parties hereby agree that any suit, action, or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby, whether in contract, tort, or otherwise, shall be brought exclusively in the state courts of the State of Nevada located in Clark County thereafter. Each of the Parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action, or proceeding and irrevocably waives, to the fullest extent permitted by Law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action, or proceeding in any such court or that any such suit, action, or proceeding which is brought in any such court has been brought in an inconvenient forum.

(c) Waiver of Jury Trial. EACH OF THE PARTIES WAIVES THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OR RELATED TO THIS AGREEMENT IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY AFFILIATE OF ANY OTHER SUCH PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS OR OTHERWISE. THE PARTIES AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION

SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISION HEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

(d) Cannabis Laws. This Agreement is subject to strict requirements for ongoing regulatory compliance by the Parties, including, without limitation, requirements that the Parties take no action in violation of either the marijuana establishment Laws of any jurisdiction or jurisdictions to which Seller or any of its subsidiaries are, or may at any time become, subject, including, without limitation, the Nevada Cannabis Laws. The Parties acknowledge and understand that the Nevada Cannabis Laws and/or the requirements of the Regulatory Authorities are subject to change and are evolving as the marketplace for state-compliant cannabis businesses continues to evolve. If necessary to comply with the requirements of the Nevada Cannabis Laws and/or the Regulatory Authorities, the Parties hereby agree to (and to cause their respective Affiliates and Representatives to) use their respective commercially reasonable efforts to take all actions reasonably requested to ensure compliance with the Nevada Cannabis Laws and/or the Regulatory Authorities, including, without limitation, negotiating in good faith to amend, restate, amend and restate, supplement, or otherwise modify this Agreement to reflect terms that most closely approximate the Parties' original intentions but are responsive to and compliant with the requirements of the Nevada Cannabis Laws and/or the Regulatory Authorities. In furtherance of the foregoing, the Parties further agree to cooperate with the Regulatory Authorities to promptly respond to any informational requests, supplemental disclosure requirements, or other correspondence from the Regulatory Authorities and, to the extent permitted by the Regulatory Authorities, keep all other parties hereto fully and promptly informed as to any such requests, requirements, or correspondence.

8.4. Expenses. Except as expressly provided otherwise in this Agreement, (a) Seller will pay all legal, accounting and other expenses of Seller related to this Agreement and (b) Buyer will pay all legal, accounting and other expenses of Buyer related to this Agreement; provided, however, that any costs incurred to consummate the Transaction pursuant to the Nevada Cannabis Laws, including any costs required to be reimbursed to the Regulatory Authority (but excluding fees or penalties assessed against the Transferors arising out of or related to the sole act or omission by a Transferor) shall be paid by the Buyer.

8.5. Titles. The headings of the articles and sections of this Agreement are inserted for convenience of reference only and will not affect the meaning or interpretation of this Agreement.

8.6. Waiver. No failure of any Party to require, and no delay by any Party in requiring, any other Party to comply with any provision of this Agreement will constitute a waiver of the right to require such compliance. No failure of any Party to exercise, and no delay by any Party in exercising, any right or remedy under this Agreement will constitute a waiver of such right or remedy. No waiver by any Party of any right or remedy under this Agreement will be effective

unless made in writing. Any waiver by any Party of any right or remedy under this Agreement will be limited to the specific instance and will not constitute a waiver of such right or remedy in the future.

8.7. Effective; Binding. This Agreement will be effective upon the due execution hereof by all of the Parties. Upon becoming effective, this Agreement will be binding upon each Party and upon each successor and assignee of each Party and will inure to the benefit of, and be enforceable by, each Party and each successor, designee and assignee of each Party; provided, however, that, except as provided for in the immediately following sentence, no Party may assign any right or obligation arising pursuant to this Agreement without first obtaining the written consent of the other Party. Buyer may assign all or a portion of its rights and obligations under this Agreement to one or more designees of Buyer upon prior written notice to Seller, provided that: (i) the assignment to any designee of Buyer will not materially negatively affect the ability to perform the obligations of Buyer under this Agreement, (ii) the designee of Buyer purchasing the Purchased Assets and paying the Purchase Price shall have the requisite resources and funds to perform Buyer's obligations hereunder and any designee of Buyer purchasing the Assets shall have the necessary qualifications to obtain all necessary consents and approvals under Nevada Cannabis Laws; and (iii) the designee shall assume the obligations under the respective ancillary agreements hereto to the extent the designee succeeds to the interests and obligations of Buyer that are the subject of such ancillary agreements. Buyer will remain liable hereunder notwithstanding any such assignment to one or more designees.

8.8. Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the subject matter of this Agreement and supersedes each course of conduct previously pursued, accepted or acquiesced in, and each written or oral agreement and representation previously made, by the Parties with respect to the subject matter of this Agreement.

8.9. Modification. No course of performance or other conduct hereafter pursued, accepted or acquiesced in, and no oral agreement or representation made in the future, by any Party, whether or not relied or acted upon, and no usage of trade, whether or not relied or acted upon, will modify or terminate this Agreement, impair or otherwise affect any obligation of any Party pursuant to this Agreement or otherwise operate as a waiver of any such right or remedy. No modification of this Agreement or waiver of any such right or remedy will be effective unless made in writing duly executed by the Parties.

8.10. Counterparts; Electronic Copies. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which taken together will constitute one and the same instrument. Documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Agreement and all matters related thereto, with such scanned and electronic signatures having the same legal effect as original signatures. The Parties agree that this Agreement or any other document necessary for the consummation of the transactions contemplated by this Agreement may be accepted, executed or agreed to through the use of an electronic signature in accordance with the Electronic Signatures in Global and National Commerce Act ("E-Sign Act"), Title 15, United States Code, Sections 7001 et seq., the Uniform Electronic Transaction Act ("UETA") and any applicable state law. Any document accepted, executed or agreed to in conformity with such

laws will be binding on all Parties the same as if it were physically executed and each Party hereby consents to the use of any third-party electronic signature capture service providers as may be chosen and utilized by any Party.

8.11. Cannabis Carve-Out. Notwithstanding any provision in this Agreement to the contrary, the Parties acknowledge that they are aware of and fully understand that despite the medical and retail cannabis laws of the State of Nevada and the terms, conditions and covenants of this Agreement, individuals and entities engaged in the cultivation, transportation, sale, distribution or possession of medical and retail cannabis may still be arrested by federal and some state officers and prosecuted under Federal Cannabis Law; consequently, such activities are expressly excluded from any and all representations, warranties, obligations and covenants applicable to the Seller or the Buyer under this Agreement. The Parties hereby waive illegality as a defense to any contract enforcement action.

[Signatures contained on following page]

IN WITNESS WHEREOF, the Parties have caused this Asset Purchase Agreement to be executed as of the Agreement Date.

Seller:

NNV OPERATIONS I, INC.,
a Nevada Corporation

By: 

Name: Charles A. Schultz Jr.

Title: Receiver

Buyer:

21st Street LLC,
a Nevada Limited Liability Company

By: /s/ _____

Name: _____

Its: _____

IN WITNESS WHEREOF, the Parties have caused this Asset Purchase Agreement to be executed as of the Agreement Date.

Seller:
NNV OPERATIONS I, INC.,
a Nevada Corporation

By: _____

Name: Charles A. Schultz Jr.

Title: Receiver

Buyer:
21st Street LLC,
a Nevada Limited Liability Company

By: /s/  _____

Name: Andrew Caplan _____

Its: Authorized Signatory _____

APPENDIX A
TO
ASSET PURCHASE AGREEMENT

The following terms have the meanings specified or referred to in this **Appendix A**:

"Accounts Receivable" has the meaning set forth in Section 1.1(b).

"Administrative Action" has the meaning set forth in Recital B.

"Affiliate" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly of twenty percent (20%) or more of all outstanding and issued membership interests, shares, stocks or ownership interests of a Person, or the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by Contract or otherwise.

"Agreement Date" has the meaning given in on the first page of the Agreement.

"Assignment and Assumption Agreement" has the meaning set forth in Section 2.2.

"Assumed Contracts" has the meaning given in Section 1.1(d) and as further identified on Schedule 1.1(d) of the Disclosure Schedules, each as assigned to Buyer, with consent, where required.

"Assumed Liabilities" has the meaning set forth in Section 1.2.

"Bill of Sale" has the meaning set forth in Section 2.2.

"Books and Records" has the meaning set forth in Section 1.1(f).

"Business" has the meaning set forth in Recital A.

"Business Day" means any day except Saturday, Sunday or any other day on which commercial banks located in Las Vegas, Nevada are authorized or required by Law to be closed for business.

"Business Relation" means any current or prospective client, customer, licensee, supplier, or other business relation of Buyer or the Business, or any such relation that was a client, customer, licensee or other business relation within the prior six (6) month period, in each case, with whom any Sellers transacted business or whose identity became known to any Sellers in connection with its relationship with, or employment by, Buyer or the Business.

"Cash Payment" has the meaning given in Section 1.4.

“CCB” has the meaning given in Recital B.

“CCB Settlement” has the meaning given in Recital M.

“Claim” means a claim against NNV.

“Claims Bar Date” has the meaning given in Recital L.

“Closing” has the meaning set forth in Section 2.1.

“Closing Date” has the meaning set forth in Section 2.1.

“Closing Certificate” has the meaning set forth in Section 1.5.

“Code” means the Internal Revenue Code of 1986, as amended.

“Contract” or **“Contracts”** means with respect to any Person, all legally binding agreements, undertakings, contracts, obligations, understandings and commitments, whether written or oral and together with all amendments, modifications or supplements thereof, (i) to which such Person is a party, (ii) under which such Person has any rights, (iii) under which such Person has any liability or (iv) by which such Person, or any of the assets or properties owned or used by such Person, is bound, including without limitation any agreement, contract, lease, sublease, purchase order, arrangement, commitment, license, franchise, indenture, note, bond, obligation, undertaking or other legally binding arrangement.

“Court” shall have the meaning set forth in Recital C.

“Disclosure Schedules” means the Disclosure Schedules delivered by Seller concurrently with the execution and delivery of this Agreement.

“DOT Settlement” has the meaning given in Recital G.

“Encumbrance” means any lien, pledge, mortgage, deed of trust, security interest, charge, claim, easement, lease, option, title defect, adverse interest, encroachment or other similar encumbrance that is not a Permitted Post-Closing Lien.

“Equipment Liabilities” has the meaning given in Recital H.

“Excluded Assets” has the meaning given in Section 1.3.

“Excluded Liabilities” has the meaning given in Section 1.3.

“GAAP” means United States generally accepted accounting principles in effect from time to time.

“Governmental Authority” means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such

organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority, including the CCB.

“Intellectual Property” means any and all of the following in any jurisdiction throughout the world: (a) trademarks, trade names, corporate names, service marks, and all other source indicators including all applications and registrations and the goodwill connected with the use of and symbolized by the foregoing; (b) copyrights and copyrighted works, including all applications and registrations related to the foregoing; (c) trade secrets; (d) patents and patent applications; (e) internet domain name registrations; and (f) all other intellectual property and related proprietary rights, interests and protections.

“Intellectual Property Agreements” means all licenses, sublicenses, consent to use agreements, settlements, coexistence agreements, covenants not to sue, permissions and other Contracts (including any right to receive or obligation to pay royalties or any other consideration), whether written or oral, relating to any Intellectual Property that is used in or necessary for the conduct of the Business as currently conducted to which Sellers is a party, beneficiary or otherwise bound.

“Inventory” has the meaning set forth in Section 1.1(e).

“Law” means any statute, law (including common law), ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

“Lease Agreement” has the meaning set forth in Recital D.

“Leased Property” has the meaning set forth in Recital D.

“Leasehold Improvements” has the meaning given in Section 1.1(h)

“Liabilities” means liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise.

“Marijuana Licenses” shall have the meaning set forth in Recital A.

“Material Adverse Change” means any event, occurrence, fact, condition or change that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to (a) the business, results of operations, prospects, condition (financial or otherwise) or assets of the Business, taken as a whole, including the representations and warranties in Section 2 and 3, (b) the value of the Purchased Assets, or (c) the ability of Sellers to consummate the transactions contemplated hereby on a timely basis, including securing third party lien releases; provided, however, that none of the following will constitute a Material Adverse Effect: any event, change, circumstance, effect or other matter resulting from or related to (i) any outbreak or escalation of war or major hostilities or any act of terrorism, (ii) changes in Laws, GAAP or enforcement or

interpretation thereof, (iii) changes that generally affect the industries and markets in which the Sellers operates, (iv) changes in financial markets, general economic conditions (including prevailing interest rates, exchange rates, commodity prices and fuel costs) or political conditions, (v) any action taken or failed to be taken pursuant to or in accordance with this Agreement or at the request of, or consented to by, the Buyer, or (vi) the execution or delivery of this Agreement or the public announcement or other publicity with respect to any of the foregoing.

“NNV Receivership Order” has the meaning given in Recital C.

“Permit” means, with respect to any Person, any license, franchise, permit, consent, approval, right, privilege, exemption, certificate or other similar authorization issued by, or otherwise granted by, any Regulatory or Governmental Authority or any other Person, to which or by which such Person is subject or bound or to which or by which any property, business, operation or right of such Person is subject or bound.

“Person” means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, Regulatory Authority, unincorporated organization, trust, association or other entity.

“Pre-Closing Statement” has the meaning set forth in Section 1.4.

“Purchased Assets” has the meaning set forth in Section 1.1.

“Purchase Price” has the meaning set forth in Section 1.4.

“Receiver” has the meaning given in Recital C.

“Receivership Case” has the meaning given in Recital C.

“Receivership Order” has the meaning given in Recital G.

“Regulatory Authorities” means the CCB, the Nevada DOT, and/or any other administrative agency or authority of the State of Nevada involved in regulating the Marijuana Licenses or the Business.

“Restricted Area” means the State of Nevada.

“Seller’s Knowledge” or **“Knowledge of Seller”** means the actual or constructive knowledge of the Receiver, including the knowledge that would be expected to be obtained after reasonable inquiry.

“SJ3D Equipment” has the meaning given in Recital E and as described on Schedule 1.1(c) attached hereto.

“Tax” or **“Taxes”** means all U.S. federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property

gains, capital gains, capital stock, value added, alternative or add-on minimum, escheat, unclaimed property, windfall profits, customs, duties or other taxes, levies, fees, assessments or charges of any kind whatsoever, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

“Tax Return” means any return, declaration, report, claim for refund, information return or statement or other document filed or required to be filed with respect to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“Transaction” has the meaning given in Recital J.

“Transfer Tax” has the meaning given in Section 1.6.

“Transition Period” has the meaning given in Section 1.4.

“Transition Professional Fees” has the meaning given in Section 1.4.

EXHIBIT A
FORM OF BILL OF SALE

BILL OF SALE

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, NNV Operations I, Inc., a Nevada corporation ("NNV"), by and through its Court-appointed Receiver, Charles A. Schultz, Jr. (the "Seller"), in connection with the receivership case for NNV pending in the Eighth Judicial District Court for Clark County, Nevada as Case No. A-22-849400-B (the "Receivership Estate"), does hereby grant, bargain, transfer, sell, assign, convey and deliver to 21st Street Property, LLC, a Nevada limited liability company ("Buyer"), 100% of the Receivership Estate's right, title and interest in and to any and all personal property and intellectual property owned by NNV, including but not limited to, equipment, all tangible and intangible personal property, licenses, inventory, computers, passwords, video surveillance and footage, contracts, leases, intellectual property, books and records, inventory, customer lists, recipes, trade secrets, lawsuits, claims, cash, accounts, inventory related to the operation of the Business (as defined in the Purchase and Sale Agreement (collectively, the "Assets"), free and clear of all liens.

Such sale is as-is, where-is, without representation or warranty whatsoever, express or implied, including with respect to the condition or existence of any such Assets, except as described in the Agreement.

Seller hereby covenants and agrees that, at any time and from time to time upon the written request of Buyer, Seller will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably required by Buyer in order to assign, transfer, set over, convey, assure and confirm unto and vest in Buyer, its successors and assigns, title to the Assets sold, conveyed and transferred by this Bill of Sale, provided that such actions shall be taken at the sole expense of Buyer, including payment by Buyer of any legal fee of Seller incurred in connection therewith.

IN WITNESS WHEREOF, Seller has duly executed this Bill of Sale as of [MONTH][DAY], 2023.

Seller:
NNV OPERATIONS I, INC.,
a Nevada Corporation

By: _____

Name: Charles A. Schultz Jr.

Title: Receiver

EXHIBIT B

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (this “Assignment”), dated as of the ____ of _____ 2023 (the “Effective Date”), and entered into by NNV Operations I, Inc., a Nevada corporation, by and through its Court-Appointed Receiver, Charles A. Schultz (“Assignor” or “Seller”) and 21st Street, LLC, a Nevada limited liability company (“Assignee” or “Buyer”). Capitalized terms used herein but not otherwise defined shall have the meaning given to them in the Sale Agreement (as defined below).

RECITALS

P. Assignor and Assignee are parties to that certain Asset Purchase Agreement dated January 1, 2023 (the “Sale Agreement”).

Q. Pursuant to the Sale Agreement, Assignor has agreed to assign all legal and beneficial rights to Assignee under the Assumed Contracts, (including but not limited to, the CCB Settlement, the DOT Settlement, and the Lease Agreement), and the Assignee has agreed to assume, all obligations of Seller under the Assumed Contracts (including but not limited to the CCB Settlement, the DOT Settlement, and the Lease Agreement) (collectively referred to herein as the “Assumed Contracts”).

NOW, THEREFORE, pursuant and subject to the terms of the Sale Agreement and in consideration of the mutual covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

AGREEMENT

1. Upon approval of the Sale Agreement by the Court and the CCB, the Assignor hereby assigns and transfers to Assignee all of NNV’s legal and beneficial rights and interests in Assumed Contracts, and Assignee hereby accepts such assignment and hereby assumes all of NNV and/or Seller’s obligations to perform under the Assumed Contracts.

2. The Assignor and Assignee each agree to do, execute, acknowledge and deliver, or to cause to be done, executed acknowledged and delivered, at its own expense, all such further acts, documents and instruments that may reasonably be required to give full effect to the intent of this Assignment and to more effectively consummate the assignments and assumptions contemplated by the Sale Agreement.

3. This Assignment is being delivered pursuant to the Sale Agreement and will be construed consistently therewith. This Assignment is not intended to, and does not, in any manner enhance, diminish extend amplify or otherwise modify the rights, covenants, and obligations of the parties contained in the Sale Agreement. To extent that any provision of this Assignment is inconsistent with the Sale Agreement, the terms of the Sale Agreement will govern, superseded and prevail.

4. Any notice, request or other document to be given hereunder to any party hereto shall be given in the manner specified in Section 8.2 of the Sale Agreement.

5. This Assignment may be amended, and any other provision of this Assignment and Assumption Agreement may be waived; provided that no such amendment or waiver shall be binding upon any party hereto unless set forth in writing executed by Assignor and Assignee and referring specifically to the provision amended or waived.

6. The validity and interpretation of this Assignment, and the performance of the parties hereto of their respective duties and obligations imposed by this Assignment, shall be governed pursuant to Section 8.3 of the Sale Agreement as if said Section 8.3 were set forth fully herein.

7. The Assignment is for the sole benefit of the Parties hereto and their permitted assigns and nothing herein expressed or implied shall give or be construed to give any person, other than the parties hereto and such permitted assigns, any legal or equitable rights.

IN WITNESS WHEREOF, the Parties have caused this Assignment to be executed as of the Effective Date.

Seller/Assignor:
NNV OPERATIONS I, INC.,
a Nevada Corporation

By: /s/ _____

Name: Charles A. Schultz Jr.

Title: Receiver

Buyer/Assignee:
21st Street LLC,
a Nevada Limited Liability Company

By: /s/ _____

Name: _____

Its: _____

DISCLOSURE SCHEDULES

Schedule 1.1

PURCHASED ASSETS

All Equipment (including the SJ3D Equipment), Accounts Receivable, Books and Records, Inventory, Intellectual Property, Leasehold Improvements, furniture, machinery, tools, vehicles, data processing, office equipment, supplies, and any other assets owned by Seller as of December 31, 2022, unless expressly excluded by Buyer pursuant to this Agreement. This schedule should be supplemental to the list of Purchased Assets set forth in Section 1.1 of the Agreement and is not meant to limit Section 1.1 in any respect.

DISCLOSURE SCHEDULES

Schedule 1.1(d)

ASSUMED CONTRACTS

CCB Settlement

DOT Settlement

Lease Agreement

All contracts generating or contributing to Seller's revenues, including but not limited to, any and all contracts between NNV and any third-party necessary to operate the Business that are in existence on the Closing Date.

DISCLOSURE SCHEDULES

Schedule 1.3

EXCLUDED ASSETS AND EXCLUDED LIABILITIES

Contract with A-1 National Fire Co. and all associated liabilities

Contract with Adamantine Services and all associated liabilities

Contract with All American Lock & Safe and all associated liabilities

Contract with Artistic Fence and all associated liabilities

Contract with Benchmark Insurance Co. (WageWorks, Inc.) and all associated liabilities

Contract with Devon Road Investments LLC and all associated liabilities

Contract with Diebold, Inc. and all associated liabilities

Contract with Filter Connection and all associated liabilities

Contract with Grow Generation and all associated liabilities

Contract with Invictus International Holdings LLC and all associated liabilities

Contract with Keystone CPA's (BOSMA) and all associated liabilities

Contract with LeafLink and all associated liabilities

Contract with National PEO Time Keeping and all associated liabilities

Contract with Nexus Partners (insurance) and all associated liabilities

Contract with NV DETR and all associated liabilities

Contract with Red Rock Spring Water and all associated liabilities

Contract with Ronald B. Verstappen Living Trust, dated October 31, 2008 as amended, and all associated liabilities

Contract with Roto Rooter and all associated liabilities

Contract with Seven Shores Investments and all associated liabilities

Contract with Sierra Scales LLC and all associated liabilities

Contract with Tahoe Tech Group and all associated liabilities

Contract with Trane and all associated liabilities

Contract with Uline and all associated liabilities

Contract with Vogue Linen Supply & Uniform and all associated liabilities

Contract with VWR International LLC and all associated liabilities

Contract with Farm to Farma, Inc. and all associated liabilities

Contracts with John and Julie Sutton, and the John and Julie Sutton 2018 Revocable Living Trust and all associated liabilities

Contract with Aimee L. Miller and all associated liabilities

Contract with Albert & Lynne Dover and all associated liabilities

All potential federal tax liabilities

All liabilities associated with Crowley Consultants, Inc. above \$200,000.00

Contract with Donald Mason and all associated liabilities

Contract with Dorea Shoemaker and all associated liabilities

Contract with Messner Reeves LLP and all associated liabilities

Contract with Turner Land Company (Barta Properties, LLC) and all associated liabilities

All contracts and associated liabilities with Equity – Common Stock

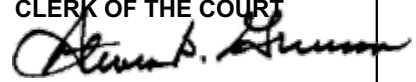
All contracts and associated liabilities with Equity – Preferred Stock

EXHIBIT “B”

EXHIBIT “B”

CARLYON CICA CHTD.
265 E. Warm Springs Road, Suite 107
Las Vegas, NV 89119

Electronically Filed
8/30/2023 1:50 PM
Steven D. Grierson
CLERK OF THE COURT



NEO
CARLYON CICA CHTD.
CANDACE C. CARLYON, ESQ.
Nevada Bar No. 2666
265 E. Warm Springs Road, Suite 107
Las Vegas, NV 89119
PHONE: (702) 685-4444
FAX: (725) 220-4360
Email: CCarlyon@CarlyonCica.com
TOSTeen@CarlyonCica.com

Counsel for Charles A. Schultz, Receiver

IN THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR THE COUNTY OF CLARK

In the Matter of:

Case No.: A-22-849400-B
Dept. No.: 31

NNV OPERATIONS I, INC., a Nevada
Corporation
(Nevada Entity No. E0181222014-4)
Petition of Ron Verstappen

**NOTICE OF ENTRY OF ORDER
GRANTING MOTION TO APPROVE
SALE OF RECEIVERSHIP ASSETS**

In the Matter of:

Hearing Date: August 24, 2023
Hearing Time: 8:30 a.m.

SJ3D Holdings Inc., a Nevada
Corporation
(Nevada Entity No. E0117382014-4)
Petition of Ron Verstappen

PLEASE TAKE NOTICE that an *Order Granting Motion to Approve Sale of Receivership Assets* was entered in the above-referenced matter on August 30, 2023, a true and correct copy of which is attached hereto as Exhibit 1.

DATED this 30th day of August 2023.

CARLYON CICA CHTD.

/s/ Candace C. Carlyon, Esq.

CARLYON CICA CHTD.

Nevada Bar No. 2666
265 E. Warm Springs Road, Suite 107
Las Vegas, NV 89119

Counsel for Charles A. Schultz, Receiver

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CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I hereby certify that I am an employee of Carlyon Cica Chtd., and that on this 30th day of August 2023, I served a true and correct copy of the **NOTICE OF ENTRY OF ORDER GRANTING MOTION TO APPROVE SALE OF RECEIVERSHIP ASSETS** via electronic means by operation of the Court's electronic filing system, upon each party to this case who is registered as an electronic case filing user with the Clerk.

/s/ Cristina Robertson
An Employee for Carlyon Cica

EXHIBIT “1”

EXHIBIT “1”

ORDR

CARLYON CICA CHTD.
CANDACE C. CARLYON, ESQ.
Nevada Bar No. 2666
265 E. Warm Springs Road, Suite 107
Las Vegas, NV 89119
PHONE: (702) 685-4444
FAX: (725) 220-4360
Email: CCarlyon@CarlyonCica.com

Counsel for Receiver, Charles A. Schultz

**DISTRICT COURT
CLARK COUNTY, NEVADA**

In the Matter of:

NNV OPERATIONS I, INC., a Nevada
Corporation

(Nevada Entity No. E0181222014-4)
Petition of Ron Verstappen

Case No.: A-22-849400-B
Dept. No.: 31

**ORDER GRANTING MOTION TO
APPROVE SALE OF RECEIVERSHIP
ASSETS**

In the Matter of:

SJ3D Holdings Inc., a Nevada
Corporation

(Nevada Entity No. E0117382014-4)
Petition of Ron Verstappen

The Court having held a hearing on the Motion to Approve Sale of Receivership Assets (the "Motion") on August 24, 2023, with all appearances noted on the record at the time of the hearing, and for good cause appearing,

IT IS HEREBY ORDERED that the Motion is **GRANTED** on the terms provided herein.

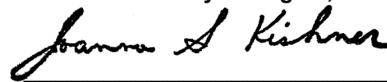
IT IS FURTHER HEREBY ORDERED that the June 30, 2023 Asset Purchase Agreement ("APA") attached to the Motion as Exhibit 1 entered by and between the Court-Appointed Receiver, Charles A. Schultz, Jr. (the "Receiver"), NNV Operations I, Inc., and 21st Street, LLC is hereby approved in its entirety, and the Receiver is authorized to convey the assets which are the subject of the APA to 21st Street, LLC. Pursuant to NRS 78.700, and except as otherwise provided herein, such assets are conveyed free and clear of all encumbrances other than the Assumed Liabilities as defined by the APA.

1 **IT IS FURTHER HEREBY ORDERED** that the term “proposed DOT Settlement”, as that
2 term is used in Section 1.2(b) of the APA, is hereby defined to mean “any subsequent settlement
3 agreement between Buyer and the Department of Taxation”. The Court was advised that the proposed
4 DOT settlement agreement, that is subject to final approval by the Nevada Tax Commission and which
5 is being reduced to writing in a separate document, is a proposed single, lump-sum payment of
6 \$350,000.00, that will release Buyer from any further liability regarding all outstanding delinquent
7 taxes and obligations of NNV Operations I, LLC as expressed in the APA; that such payment shall be
8 paid by Buyer within 30 days of written notice of the Nevada Tax Commission’s approval or within
9 30 days of written notice by the Nevada Cannabis Compliance Board’s approval, whichever is later;
10 and, that the Nevada Tax Commission and the Department of Taxation have reserved all rights to
11 pursue collection (*not from Buyer*) of the remaining amounts owed by NNV Operations I, LLC,
12 including amounts guaranteed by others. In the event this proposed DOT settlement agreement is not
13 approved in whole by the Nevada Tax Commission, it shall be deemed withdrawn without prejudice
14 to any claims, positions or contentions which may have been made by either party, and no part of the
15 proposed DOT settlement agreement shall be admissible in evidence or in any way described or
16 discussed in any proceeding hereafter.

17 **IT IS FURTHER HEREBY ORDERED** that the proposed sale is subject to approval by the
18 Nevada Cannabis Compliance Board.

19 **IT IS SO ORDERED.**

Dated this 30th day of August, 2023



DISTRICT COURT JUDGE

BD2 3A9 FB91 5140

Joanna S. Kishner
District Court Judge

20
21
22 Submitted By:
CARLYON CICA CHTD.

Approved:
RON VERSTAPPEN, PETITIONER

23
24 /s/ Candace C. Carlyon, Esq.
CANDACE C. CARLYON, ESQ.
25 Nevada Bar No. 2666
26 265 E. Warm Springs Road, Suite 107
Las Vegas, Nevada 89119

27 *Counsel for the Receiver*

24 /s/ Lee I. Iglody, Esq.
LEE I. IGLODY, ESQ.
25 Nevada Bar #: 7757
26 2580 St Rose Pkwy., Suite 330
Henderson, Nevada 89074

27 *Attorney for Petitioner*

1 Approved:
2 **AARON D. FORD**
3 **Attorney General**

Disapproved as to Form:
HOWARD & HOWARD ATTORNEYS PLLC

4 /s/ Kayla D. Dorame
5 KAYLA D. DORAME
6 (Bar No. 15533)
7 Deputy Attorney General
8 State of Nevada Office of the Attorney
9 General 100 North Carson Street
10 Carson City, Nevada 89701-4717

Disapproved – will submit competing order
JOHN J. SAVAGE, ESQ.
Nevada Bar. No. 11455 3
800 Howard Hughes Parkway, Suite 1000
Las Vegas, Nevada 89169

*Counsel for Creditors and Shareholders Julie
Sutton and John Sutton*

11 *Attorneys for Respondent, Department of
12 Taxation*

13 Approved:
14 **AARON D. FORD**
15 **Attorney General**

16 /s/ Emily N. Bordelove
17 EMILY N. BORDELOVE
18 (Bar No. 13202)
19 Senior Deputy Attorney General
20 Office of Attorney General
21 555 E., Washington Ave., Ste. 3900
22 Las Vegas, NV 89101

23 *Attorneys for State of Nevada, ex rel.
24 Cannabis Compliance Board*

Cristina Robertson

From: Emily Bordelove <ebordelove@ag.nv.gov>
Sent: Friday, August 25, 2023 3:47 PM
To: Kayla D. Dorame; Candace Carlyon; Lee Iglody, Esq.; John J. Savage
Cc: Cristina Robertson; David J. Pope; Emily Bordelove
Subject: RE: NNV Order Approving Sale

Hi Candace:
You can affix my e-signature. Thanks.

Best,

Emily N. Bordelove

Senior Deputy Attorney General, Cannabis Compliance Board
Office of the Nevada Attorney General
555 E. Washington Ave. Ste. 3900
Las Vegas, NV 89101
ebordelove@ag.nv.gov



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From: Kayla D. Dorame <kdorame@ag.nv.gov>
Sent: Friday, August 25, 2023 3:46 PM
To: Candace Carlyon <c Carlyon@carlyoncica.com>; Emily Bordelove <ebordelove@ag.nv.gov>; Lee Iglody, Esq. <lee@iglody.com>; John J. Savage <jsavage@howardandhoward.com>
Cc: Cristina Robertson <crobertson@carlyoncica.com>; David J. Pope <DPope@ag.nv.gov>
Subject: RE: NNV Order Approving Sale

Thank you, Candace. You can add my signature.

Kayla D. Dorame

Deputy Attorney General
State of Nevada-Office of the Attorney General
Taxation Division
100 North Carson Street
Carson City, NV 89701

(775) 684-1259
kdorame@ag.nv.gov



**** CONFIDENTIALITY NOTICE****

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From: Candace Carlyon <ccarlyon@carlyoncica.com>
Sent: Friday, August 25, 2023 3:38 PM
To: Kayla D. Dorame <kdorame@ag.nv.gov>; Emily Bordelove <ebordelove@ag.nv.gov>; Lee Iglody, Esq. <lee@iglody.com>; John J. Savage <jsavage@howardandhoward.com>
Cc: Cristina Robertson <crobertson@carlyoncica.com>; David J. Pope <DPope@ag.nv.gov>
Subject: FW: NNV Order Approving Sale

WARNING - This email originated from outside the State of Nevada. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Kayla, Emily and Lee, see the order with Emily's correction. Can you please advise via reply all that we may affix your electronic signature approving the form of order?

Candace Carlyon, Esq.
ccarlyon@carlyoncica.com
265 E. Warm Springs Road, Suite 107
Las Vegas, NV 89119
702.685.4444 (office)
702.577.3613 (direct)
702.220.4360 (facsimile)



Begin forwarded message:

From: Emily Bordelove <ebordelove@ag.nv.gov>
Date: August 24, 2023 at 11:40:33 AM PDT
To: Candace Carlyon <ccarlyon@carlyoncica.com>, "Lee Iglody, Esq." <lee@iglody.com>, "John J. Savage" <jsavage@howardandhoward.com>, "David J. Pope" <DPope@ag.nv.gov>, "Kayla D. Dorame" <kdorame@ag.nv.gov>

Cristina Robertson

From: Candace Carlyon
Sent: Friday, August 25, 2023 4:10 PM
To: Cristina Robertson
Subject: FW: FW: NNV Order Approving Sale

Candace Carlyon, Esq.
ccarlyon@carlyoncica.com
265 E. Warm Springs Road, Suite 107
Las Vegas, NV 89119
702.685.4444 (office)
702.577.3613 (direct)
702.220.4360 (facsimile)



From: Lee Iglody, Esq. <lee@iglody.com>
Sent: Friday, August 25, 2023 3:41 PM
To: Candace Carlyon <ccarlyon@carlyoncica.com>
Subject: Re: FW: NNV Order Approving Sale

Yes, please affix my e-signature.

Kind regards,

Lee Iglody, Esq.
2580 St Rose Pkwy #330
Henderson, Nevada 89074
O: (702) 425-5366
C: (702) 561-9934
lee@iglody.com
www.iglodylaw.com



The IRS requires us to inform you that any tax information or advice is not intended and cannot be used to avoid tax penalties or promote, recommend or market any tax related matters. Also, this email contains confidential communications. If you received this email in error, notify the sender immediately. Thank you.

On Fri, Aug 25, 2023 at 3:38 PM Candace Carlyon <ccarlyon@carlyoncica.com> wrote:

Kayla, Emily and Lee, see the order with Emily's correction. Can you please advise via reply all that we may affix your electronic signature approving the form of order?

Candace Carlyon, Esq.

ccarlyon@carlyoncica.com

265 E. Warm Springs Road, Suite 107

Las Vegas, NV 89119

702.685.4444 (office)

702.577.3613 (direct)

702.220.4360 (facsimile)



Begin forwarded message:

From: Emily Bordelove <ebordelove@ag.nv.gov>

Date: August 24, 2023 at 11:40:33 AM PDT

To: Candace Carlyon <ccarlyon@carlyoncica.com>, "Lee Iglody, Esq." <lee@iglody.com>, "John J. Savage" <jsavage@howardandhoward.com>, "David J. Pope" <DPope@ag.nv.gov>, "Kayla D. Dorame" <kdorame@ag.nv.gov>

Cc: chuck schultz <interface1cas@gmail.com>, Emily Bordelove <ebordelove@ag.nv.gov>

Subject: RE: NNV Order Approving Sale

Please revise "Control Board" on page 2 line 9 to Compliance Board

Best,

Emily N. Bordelove

Senior Deputy Attorney General, Cannabis Compliance Board

Office of the Nevada Attorney General

555 E. Washington Ave. Ste. 3900

Las Vegas, NV 89101

ebordelove@ag.nv.gov



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From: Candace Carlyon <ccarlyon@carlyoncica.com>

Sent: Thursday, August 24, 2023 11:38 AM

To: Lee Iglody, Esq. <lee@iglody.com>; John J. Savage <jsavage@howardandhoward.com>; Emily Bordelove <ebordelove@ag.nv.gov>; David J. Pope <DPope@ag.nv.gov>; Kayla D. Dorame <kdorame@ag.nv.gov>

Cc: chuck schultz <interface1cas@gmail.com>

Subject: NNV Order Approving Sale

WARNING - This email originated from outside the State of Nevada. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Good morning, all. Can you please indicate your approval via either signing and returning the attached or via reply email? Thank you.

Candace Carlyon, Esq.

ccarlyon@carlyoncica.com

265 E. Warm Springs Road, Suite 107

Las Vegas, NV 89119

702.685.4444 (office)

702.577.3613 (direct)

702.220.4360 (facsimile)



1 **CSERV**

2
3 DISTRICT COURT
CLARK COUNTY, NEVADA

4
5
6 Ron Verstappen, Plaintiff(s)

CASE NO: A-22-849400-B

7 vs.

DEPT. NO. Department 31

8 NNV Operations I Inc,
9 Defendant(s)

10
11 **AUTOMATED CERTIFICATE OF SERVICE**

12 This automated certificate of service was generated by the Eighth Judicial District
13 Court. The foregoing Order Granting was served via the court's electronic eFile system to all
recipients registered for e-Service on the above entitled case as listed below:

14 Service Date: 8/30/2023

15 Marilyn Millam

mmillam@ag.nv.gov

16 Lee Iglody

lee@iglody.com

17 Candace Carlyon

ccarlyon@carlyoncica.com

18 Dawn Cica

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