UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):October 6, 2021

MARIJUANA COMPANY OF AMERICA, INC.

(Exact Name of Registrant as Specified in Charter)

Utah	**000-27039**	**98-1246221**
(State or jurisdiction of incorporation or organization)	(Commission File Number)	(IRS Employer Identification No.)

633 W. 5th Street, Suite 2826
Los Angeles, California ,90071
Telephone: (888) 777-4362
(Address and Telephone Number of Registrant's Principal Executive Offices and Principal Place of Business)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425).

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12).

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b)).

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)).

Securities registered pursuant to Section 12(b) of the Act: None.

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Current Report on Form 8-K (this "Current Report") of Marijuana Company of America, Inc., a Utah corporation (the "Company") contain statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements concerning plans, objectives, goals, strategies, expectations, future events or performance and underlying assumptions and other statements that are other than statements of historical facts. These statements are often, but not always, made through the use of words or phrases such as "anticipates," "believes," "can," "could," "may," "potential," "should," "will," "plans," "continuing," "ongoing," "expects," "intends to," and similar words or phrases. Certain statements contained herein are forward-looking statements and, accordingly, involve risks and uncertainties that could cause actual results or outcomes to differ materially from those expressed in such forward-looking statements, including, without limitation, risks related to the Company's business and its securities. The Company's expectations, beliefs and projections are expressed in good faith and are believed by the Company to have a reasonable basis, including, without limitation, management's examination of historical operating trends, and data contained in the Company's records and other data available from third parties. There can be no assurance that management's expectations, beliefs or projections will be achieved or accomplished. Certain risks and uncertainties may cause actual results to be materially different from projected results contained in the forward-looking statements in this Current Report and in other disclosures made by the Company. The Company's future results will depend upon various other risks and uncertainties, including, but not limited to, those detailed in the Company's filings with the Securities and Exchange Commission (the "SEC"). Actual results may differ materially from those expressed or implied by forward-looking statements. The Company disclaims any obligation to publicly update or release any revisions to any forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this Current Report or to reflect the occurrence of unanticipated events, except as required by law.

Unless otherwise provided in this Current Report, all references to "we," "us," "Company," "our,", or the "Registrant" refer to the parent entity, Marijuana Company of America, Inc., a Utah corporation.

Item 1.01 Entry into a Material Definitive Agreement.

Asset Purchase Agreement; Management Services Agreement; Cooperation Agreement and Employment Agreement:

On October 6, 2021, the Company, through its wholly owned subsidiary Salinas Diversified Ventures, Inc., a California corporation, entered into an Asset Purchase Agreement, Management Services Agreement, Cooperation Agreement and Employment Agreement with VBF Brands, Inc., a California corporation ("VBF"), a wholly owned subsidiary of Sunset Island Group, Inc., a Colorado corporation ("SIGO"), and Ms. Lori Livacich, individually, and as an affiliate of both VBF and SIGO ("Livacich"). No material relationship exists between the parties, other than with respect to the material definitive agreements.

VBF owns various fixed assets including machinery and equipment, a lease for a 10,000 square foot facility located at 20420 Spence Road, Salinas, California, 93908, leasehold improvements, good-will, inventory, tradenames including "VBF Brands," trade secrets, intellectual property, and other tangible and intangible properties, including licenses issued by the City of Salinas, County of Monterey, and the State of California to operate a licensed cannabis nursery, cultivation facility, and operations for the manufacturing and distribution of cannabis and cannabis products.

VBF and SIGO agreed to sell and transfer to the Company all of VBF's outstanding stock, and, by virtue of the Management Services Agreement, appoint Mr. Jesus Quintero as President of VBF, vesting management and control of VBF's licensed cannabis operations in the Company. Concurrently, VBF and Livacich entered into a Cooperation Agreement, whereby VBF and Livacich agreed to cooperate to facilitate the transfer of ownership of VBF, which includes licenses issued by the City of Salinas, County of Monterey, and the State of California, to operate a cannabis nursery, cultivation facility and manufacturing and distribution operations to the Company. The Company also agreed to retain Livacich as Chief Executive Officer for a term of two years and agreed to compensate her with a salary including a signing cash bonus of $250,000, and a $250,000 performance cash bonus payable after six months after the Effective Date. The bonus is conditioned upon Livacich meeting an agreed to "Net Revenue" target of one million dollars ($1,000,000) from VBF's operations during the six month period after closing of the Asset Purchase Agreement, and her compliance with the terms and conditions of this Asset Purchase Agreement, the Management Services Agreement and the Cooperation Agreement.

As consideration for the transaction, the Company agreed to assume two secured convertible promissory notes issued by SIGO with St. George Investments, LLC, as follows:

The first issued December 8, 2017, in the original face amount of $170,000.00 ("Note 1"); and the second issued February 13, 2018, in the original face amount of $4,245,000.00 ("Note 2"). As part of Note 2, SIGO also issued warrants to St. George to purchase shares in SIGO, and fifty (50) shares of Series A Preferred Stock in SIGO. St. George agreed to cancel the warrants and preferred shares upon the Company's assumption of Notes 1 and 2 (the "SIGO Notes").

Section 2 - Financial Information

Item 2.01 Completion of Acquisition or Disposition of Assets.

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.01. The Company will amend this Form 8-K to disclose pro forma financial statements for the acquired assets within 71 days of the filing date of this 8-K.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.01.

Item 3.02 Unregistered Sale of Equity Securities.

On October 6, 2021, the Company issued and sold a convertible promissory note to St. George Investments, LLC (St. George") in the principal amount of $3,455,178.00. As partial consideration for the purchase of the securities, St. George assigned and transferred to the Company, who agreed to receive and accept, the SIGO Notes, valued at $1,770,982.00. The Company agreed to pay an original issue discount of $574,196.00 and $10,000.00 in legal fees. St. George paid a cash purchase price of $1,100,000.00 to the Company.

Item 8.01 Other Events.

The Company intends to issue a press release concerning this transaction October 14, 2021. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statement and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1 †	Asset Purchase Agreement: Salinas Diversified Ventures, Inc. & VBF Brands, Inc., Sunset Island Group, Inc., Lori Livacich & St. George Investments, LLC
10.2	Cooperation Agreement: Salinas Diversified Ventures, Inc. & VBF Brands, Inc., Sunset Island Group, Inc. & Lori Livacich
10.3	Employment Agreement: Salinas Diversified Ventures, Inc., and Lori Livacich.
10.4	Management Services Agreement: Salinas Diversified Ventures, Inc. & VBF Brands, Inc., Sunset Island Group, Inc.
10.5	Securities Purchase Agreement: Marijuana Company of America, Inc. & St. George Investments, LLC.
10.6	Convertible Promissory Note: Marijuana Company of America, Inc. & St. George Investments, LLC
10.7	Note Assumption
99.1	Press Release dated October 14, 2021

† *The schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company hereby undertakes to furnish supplementally copies of any of the omitted schedules upon request by the SEC.*

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MARIJUANA COMPANY OF AMERICA, INC.

By: */S/ Jesus M. Quintero*
Name: Jesus M. Quintero
Title: Chief Executive Officer

Date: October 13, 2021

EXHIBIT 10.1

ASSET PURCHASE AGREEMENT

dated as of

October 6, 2021

by and between

SALINAS DIVERSIFIED VENTURES, INC.,
a California Corporation, and Wholly Owned Subsidiary of
MARIJUANA COMPANY OF AMERICA, INC., a Utah Corporation,

and

VBF BRANDS, INC., a California Corporation, a Wholly Owned Subsidiary of SUNSET ISLAND GROUP, INC., a Colorado Corporation,

and

LORI LIVACICH, Individually, and as an Affiliate of VBF BRANDS, INC., SUNSET ISLAND GLOBAL, INC.,

and

ST. GEORGE INVESTMENTS, LLC, a Utah Limited Liability Company ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") is dated as of October 6, 2021 (the "Effective Date"), by and among Salinas Diversified Ventures, Inc., a California corporation, and wholly owned subsidiary of Marijuana Company of America, Inc., a Utah corporation ("Buyer"), VBF Brands, Inc., a California corporation ("VBF"), and wholly owned subsidiary of Sunset Island Group, Inc., a California corporation ("SIGO")," Lori Livacich, an individual ("Livacich"), and St. George Investments, LLC, a Utah limited liability company ("St. George"). Buyer, VBF, SIGO, Livacich and St. George may be collectively referred to as the "Parties." Capitalized terms used herein without definition are defined in Article 8.

RECITALS

WHEREAS, VBF holds licenses and permits in good standing and in full force and effect authorizing it to operate a cannabis nursery, cultivation, manufacturing, and distribution business located in Salinas, California. VBF additionally owns various fixed assets including machinery and equipment, a lease for real property located at 20420 Spence Road, Salinas, California, 93908, leasehold improvements, good-will, inventory, tradenames including "VBF Brands" value and purpose, trade secrets, intellectual property, and other tangible and intangible properties concerning the operation of a California licensed cannabis nursery, cultivation facility, and operations for the manufacturing and distribution of cannabis and cannabis products, hereafter referred to as VBF's "Business."

WHEREAS, VBF is a California corporation in good standing with 27,000,000 shares authorized and 5,924,640 shares issued and outstanding as of September 16, 2021.

WHEREAS, on December 8, 2017, SIGO issued to St. George a secured convertible promissory note in the original face amount of $170,000.00 ("Note 1"), issued pursuant to that certain Securities Purchase Agreement by and between SIGO and St. George of even date therewith.

WHEREAS, on February 13, 2018, SIGO issued to St. George a secured convertible promissory note, in the original face amount of $4,245,000.00 ("Note 2"), issued pursuant to that certain Securities Purchase Agreement by and between Assignor and the Company of even date therewith. As part of Note 2, SIGO also issued warrants to St. George to purchase shares in SIGO in regards to Note 2, and fifty (50) shares of Series A Preferred Stock in SIGO. Note 1 and Note 2 shall be referred to as the "SIGO Notes."

WHEREAS, VBF desires to sell, transfer, assign, convey and deliver to Buyer all of VBF's outstanding stock, and to appoint Buyer or its designee as President of VBF, and vest sole management control, authority, and responsibility of VBF and its Business in and to Buyer or its designee, and Buyer desires purchase, acquire, assume, and accept the same, subject to the terms and conditions set forth in this Agreement, and the attached Management Services Agreement, Cooperation Agreement and Executive Employment Agreement, including all related Exhibits and Schedules thereto.

WHEREAS, as consideration for Buyer's acquisition of VBF and its common stock and Business, Buyer agrees to assume, upon the execution of this Agreement and other Transaction Documents, and subject to VBF and Livacich's compliance with the terms and conditions of this Agreement and the attached Management Services Agreement, Cooperation Agreement and Executive Employment Agreement, 100% of SIGO's Note 1 and Note 2. The Parties further agree that after six months and one day from the Effective Date, Buyer will forgive all of the

debt associated with the SIGO Notes in favor of VBF and SIGO. Concurrently, on the Effective Date, St. George shall cancel the SIGO warrants issued to St. George in connection with the SIGO Notes, and to cancel and return to SIGO's treasury fifty (50) shares of Series A Preferred Stock of SIGO.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1 PURCHASE AND SALE OF ASSETS AND ASSUMPTION OF LIABILITIES

1.1 Sale and Transfer of Assets. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, VBF shall sell, transfer, assign, convey, and deliver to Buyer, and Buyer shall purchase, acquire and accept from VBF, all of VBF's right, title, and interest in and to one hundred percent (100%) of VBF's issued and outstanding common stock, and all of VBF's fixed assets including VBF's machinery and equipment, leasehold improvements, good-will, inventory, tradenames including "VBF Brands" value and purpose, trade secrets, intellectual property, and other tangible and intangible properties concerning the operation of VBF's California licensed cannabis nursery, cultivation facility, and operations for the manufacturing and distribution of cannabis and cannabis products, and the related properties, rights, and assets concerning VBF's Business (excluding the Excluded Assets), as and to the extent existing on the Closing Date (such properties, rights and assets are hereinafter collectively referred to as the "Acquired Assets"), free and clear of all Liens other than Permitted Liens, including:

- all Contracts associated with the Business, including, without limitation, the Assumed Contracts set forth on Schedule 1.1(a) (the "Assumed Contracts," including an Executive Employment Agreement with Livacich, a Management Services Agreement and Cooperation Agreement between the Buyer, VBF and Livacich; and a Joint Venture Agreement between Jane, Inc., and VBF dated March 5, 2020, each containing material terms and conditions;
- all VBF fixed assets, including fixtures and equipment, good-will, inventory, tradenames including "VBF Brands" value and purpose, trade secrets, intellectual property and other tangible and intangible properties of any kind concerning the operation of VBF's California licensed cannabis nursery, cultivation facility, and operations for the manufacturing and distribution of cannabis and cannabis products, and the related properties, rights, and assets and all leasehold improvements associated with the Business;
- all VBF leases associated with the Business that are assignable with landlord authorization;
- all Customer Accounts associated with the Business;
- all of VBF's claims, demands, deposits (including damage deposits for leases, utilities and any third parties that VBF paid), refunds, rebates, causes of action, rights of recovery, rights of setoff and rights of recoupment relating to the foregoing, arising on or after the Closing Date;
- all general, financial and personnel records, ledgers, sales invoices, accounts receivable records, files, books and documents, correspondence and other files and records, including customer lists and sales records, of VBF relating to the Business;
- conditioned upon VBF's and Livacich's compliance with the terms and conditions of the Management Services Agreement, the Executive Employment Agreement and Cooperation Agreement, Buyer will assume, upon the Closing of this Agreement, one hundred percent (100%) of the SIGO Notes. The Parties further agree that after six months and one day from the Effective Date, Buyer will forgive all of the debt associated with the SIGO Notes in favor of VBF and SIGO. The assignment and assumption agreement is included as Schedule 1.1(b). Concurrently, on the Effective Date, St. George shall cancel the SIGO warrants issued to St. George in connection with the SIGO Notes, and to cancel and return to SIGO's treasury fifty (50) shares of Series A Preferred Stock of SIGO all prepaid charges, expenses, sums, and fees of VBF;
- all trade names, logos, common law trademarks, trade dress, registered trademarks and service marks of the Business and all other Intellectual Property used in the Business, including "VBF Brands" value and purpose;
- all goodwill of the Business owned by VBF; and
- all other properties, assets and rights, tangible, or intangible, owned or held by VBF as of the Closing Date that are used in the operation of the Business, and which are not otherwise Excluded Assets.
- all licenses and permits associated with the operation of the Business, including all cannabis licenses issued by the City of Salinas, County of Monterey, and the State of California, and VBF, and Livacich's compliance with affecting a change of ownership over VBF's cannabis licenses with the City of Salinas, County of Monterey, and the State of California cannabis licenses and permits in favor of Buyer; Licenses and Permits set forth on Schedule 1.1(c).

1.2 Excluded Assets. Buyer is not acquiring, and VBF shall retain after the Closing, the following assets, rights, and properties not specifically included in the Acquired Assets (collectively, the "Excluded Assets"). Without limiting the generality of the foregoing, and notwithstanding anything to the contrary contained in Section 1.1 or elsewhere in this Agreement, the Excluded Assets shall include:

- the Contracts to which VBF is a party that are not Assumed Contracts;
- all amounts due to VBF from customers related to services or products provided or sold by VBF prior to the Closing Date;
- all VBF cash, accounts receivable and cash equivalents as of the Closing Date.

1.3 Assumed Liabilities. Subject to the terms and conditions set forth in this Agreement, at the Closing, Buyer shall assume and thereafter pay,

perform, and discharge as and when due only the following Liabilities (and specifically excluding the Excluded Liabilities) of VBF and SIGO (the "Assumed Liabilities"):

- subject to VBF, Livacich's compliance with all terms and conditions of the Management Services Agreement, Executive Employment Agreement and Cooperation Agreement, Buyer will assume, upon the Closing of this Agreement, one hundred percent (100%) of the SIGO Notes. The Parties further agree that after six months and one day from the Effective Date, Buyer will forgive all of the debt associated with the SIGO Notes in favor of VBF and SIGO.
- all prepaid charges, expenses, sums, and fees of VBF, and all Liabilities otherwise incurred by Buyer under the Assumed Contracts and Assumed Customer Accounts, in each case excluding any such Liabilities to the extent arising from any occurrence or breach, default, misconduct, negligence or other form of noncompliance by VBF and/or SIGO thereunder after the Closing Date;
- all Liabilities for or in respect of Taxes in respect of the Acquired Assets arising after the Closing Date with respect to periods after the Closing Date;

1.4 Liabilities Not Assumed. Buyer shall not assume or otherwise be responsible for any of the Excluded Liabilities. The Excluded Liabilities shall be retained by and shall remain the sole responsibility of VBF and/or SIGO, and VBF and/or SIGO shall pay, perform, and discharge the Excluded Liabilities as and when due. "Excluded Liabilities" shall mean every Liability of VBF and/or SIGO other than the Assumed Liabilities, including:

- any Liability relating to, based in whole or in part on events or conditions occurring or existing in connection with, or arising out of, the Business as operated prior to the Closing Date, or the ownership, possession, use, operation or sale or other disposition prior to the Closing Date of any Acquired Assets (or any other assets, properties, rights, or interests associated, at any time prior to the Closing Date, with the Business);
- any Liability under the Assumed Contracts to the extent arising from any indemnification obligation, breach, default, misconduct, negligence, or other form of noncompliance by VBF and/or SIGO thereunder prior to the Closing Date;
- any Liability arising from any Contract of VBF and/or SIGO (other than the Assumed Contracts, prior to the Closing Date subject to the limitations set forth herein), including the Excluded Contracts;
- any Liability related to any Claim based in whole or in part on events or conditions occurring or existing in connection with, or arising out of, or otherwise relating to, the Business as operated by VBF, SIGO or any of their respective Affiliates (or any of their respective predecessors-in-interest) prior to the Closing Date, or the ownership, possession, use, operation, sale or other disposition prior to the Closing Date of any of the Acquired Assets (or any other assets, properties, rights or interests associated, at any time prior to the Closing Date, with the Business);

- except for the executive employment agreement with Livacich included in Schedule 1.1(a), any Liability with respect to any Employee Plan or any Employee Benefit Arrangement of VBF (including under any employment, severance, deferred compensation, retention, or termination agreement with any employee of VBF and/or SIGO or relating to employee payroll, vacation, sick leave, workers compensation or unemployment benefits accrued through the Closing Date or thereafter;
- any Liability arising out of or relating to any employment-related claim or grievance of any current or former employee of VBF and/or SIGO arising out of or relating to events occurring prior to the Closing Date;
- any Liability of VBF and/or SIGO to any stockholder or other equity holder or former stockholder or other former equity holder of VBF and/or SIGO prior to the Closing Date;
- any Liability of VBF and/or SIGO for Taxes prior to the Closing Date;
- any Liability arising from any failure by VBF and/or SIGO to comply with any applicable Law or Order prior to the Closing Date;
- any Indebtedness of VBF and/or SIGO (other than Assumed Liabilities as provided herein), including amounts owed to Affiliates of VBF and/or SIGO prior to the Closing Date;
- any Liability relating to litigation of or involving VBF and/or SIGO or otherwise affecting any of their respective assets prior to the Closing Date;
- any Liability of VBF and/or SIGO under this Agreement or any other Transaction Document prior to the Closing Date;
- any Liability of VBF and/or SIGO arising in connection with the consummation of the Transactions prior to the Closing Date;
- any Liability of VBF and/or SIGO to the extent relating to any property or facility presently or formerly owned, operated, leased, or used by VBF and/or SIGO or their corporate predecessors, including any such Liability arising under or relating to Environmental, Health and Safety Laws prior to the Closing Date; and
- any other Liability relating to the Excluded Assets.

ARTICLE 2 CLOSING/PURCHASE PRICE

2.1 The Closing. Subject to the terms and conditions of this Agreement, the consummation of the transactions contemplated by this Agreement, the closing (the "Closing"), shall take place remotely via the electronic exchange of documents and signatures on the date and at the time on which the Parties mutually agree (the "Closing Date"). The Closing will be deemed effective as of 5:01 p.m. Pacific Daylight Savings Time on the Closing Date.

2.2 Purchase Price. The aggregate purchase price for the Acquired Business, Assets and the Assumed Liabilities shall be Buyer's assumption of one hundred percent (100%) of the SIGO Notes. The Parties further agree that after six months and one day from the Effective Date, Buyer will forgive all of the debt associated with the SIGO Notes in favor of VBF and SIGO. Concurrently, on the Effective Date, St. George shall

cancel the SIGO warrants issued to St. George in connection with the SIGO Notes, and to cancel and return to SIGO's treasury fifty (50) shares of Series A Preferred Stock of SIGO all prepaid charges, expenses, sums, and fees of VBF; Additionally, Buyer agrees to retain Livacich as an officer and consultant upon Closing (see the Executive Employment Agreement in Schedule 1.1(a).

2.3 Payment. Upon the execution of this Agreement and the other Transaction Documents, Buyer, SIGO and St. George shall concurrently execute the assignment and assumption agreement for the SIGO Notes with St. George (Schedule 1.1(b). Buyer, SIGO and VBF will execute the appropriate shareholder/member consents and director/manager resolutions approving this Agreement and the Transaction, the Management Services Agreement and Cooperation Agreement between VBF, SIGO and Buyer referenced in the Cooperation Agreement and Management Services Agreement, included herewith as material to this Transaction. VBF shall accept the resignation of Livacich as a director and officer, and concurrently: (i) appoint Buyer, or Buyer's designee, as sole director, President and Chief Executive Officer of VBF; (ii) appoint Livacich as officer; and, VBF shall concurrently begin the regulatory processes with the City of Salinas, County of Monterey, and the State of California ("Licensing Authorities") for the change of ownership over the Licenses and Permits reflecting Buyer as owner operator of the Licenses and Permits.

2.4 Condition Precedent. The Closing is conditioned upon (i) VBF and SIGO's full corporate authorization, consent and execution of this Agreement; (ii) VBF's sale to Buyer of 100% of the issued and outstanding shares of VBF; (iii) VBF and Livacich's full corporate authorization, consent compliance with and execution of the Management Services Agreement and Cooperation Agreement; (iv) SIGO's disclosure of the Agreement on Form 8-K with the Securities and Exchange Commission; (v) VBF and Livacich's full cooperation in Buyer's financial auditing of VBF in accordance with ASC 805, including providing unrestricted access to all VBF corporate and financial records and providing all necessary cooperation with VBF financial personnel; (vi) VBF and Livacich's full cooperation in aiding and assisting Buyer with its change of ownership applications with the Licensing Authorities; (vii) VBF's and Livacich's truthful representations and execution of and compliance with the terms and conditions of the Executive Employment Agreement, Management Services Agreement and the Cooperation Agreement.

2.5 Closing Deliveries by VBF and SIGO. On the Closing Date, VBF shall deliver or cause to be delivered to Buyer:

- resolutions of VBF and SIGO's respective shareholders, directors, managers, and members required to authorize the execution, delivery and performance of this Agreement, the Management Services Agreement, Cooperation Agreement, and the consummation of the Transactions and a certificate of the Secretary of VBF and SIGO, dated as of the Closing Date, that such resolutions were duly adopted, approved and are in full force and effect;
- a Bill of Sale and Assignment and Assumption, duly executed by VBF, in the form attached hereto as Exhibit A;
- a properly executed statement described in Treasury Regulations § 1.1445-2(b)(2) certifying that VBF is not a foreign person for purposes of Code Section 1445 in the form attached hereto as Exhibit B;
- copies of all consents to assignment to Buyer of each Acquired Asset, to the extent necessary for transfer, included in the Schedules; and,
- such other documents and instruments as may be required under this Agreement, or as are customary and reasonable and requested by Buyer to affect the Transactions contemplated by this Agreement.

2.6 Closing Deliveries by Buyer. On the Closing Date, Buyer shall deliver or cause to be delivered to VBF:

- resolutions of Buyer's respective shareholders and directors required to authorize the execution, delivery and performance of this Agreement and the consummation of the Transactions and a certificate of the Secretary of Buyer, dated as of the Closing Date, that such resolutions were duly adopted and are in full force and effect;

- subject to the terms and conditions in Article 2, the Purchase Price and executed associated Transaction Documents;
- an Assignment and Assumption Agreement duly executed by Buyer, VBF, SIGO and St. George for Buyer's assumption of the SIGO Notes; and,
- such other documents and instruments as may be required under this Agreement, or as are customary and reasonable and requested by VBF to affect the Transactions contemplated by this Agreement.

2.7 Transaction Taxes. After Closing, Buyer shall be responsible for paying, shall promptly discharge when due, and shall reimburse, indemnify, and hold harmless VBF from, any sales or use, transfer, real property gains, excise, stamp, value added or other similar Taxes, imposed on VBF or Buyer resulting from the sale of the Acquired Assets ("Transaction Taxes") after the Closing Date. Buyer and VBF shall cooperate to the extent commercially reasonable and legally permitted to minimize any Transaction Taxes.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF VBF and SIGO

Except as set forth in the Disclosure Schedules, VBF and SIGO represents and warrants to Buyer that the statements contained in this Article 3 are true and correct in all material respects as of the Effective Date:

3.1 Organization, Power, Standing. VBF is a corporation duly organized, validly existing and in good standing under the laws of the state of California. SIGO is a corporation duly organized, validly existing and in good standing under the laws of the state of Colorado. Each of VBF and SIGO have all requisite corporate power and authority to own, operate or lease their respective assets owned, operated, and leased by them to conduct the Business as currently conducted as of the date of this Agreement. VBF is duly authorized to conduct business and are in good standing in each jurisdiction where such authorization is required to conduct the Business as currently conducted by it as of the date of this Agreement. True and complete copies of the Articles of Organization of VBF, as the same may have been amended to-date, have been made available to Buyer. Such organizational documents are in full force and effect, and VBF is not in violation of any provision of such organizational documents.

3.2 Authorization and Approval of Agreements. VBF and SIGO have the respective sole power and authority to execute this Agreement and the Transaction Documents to which they are a party. The execution, delivery, and performance by VBF and SIGO of the Transaction

Documents, and the consummation by them of the Transactions, have been duly authorized by all necessary company action by VBF and SIGO and no further action by VBF and SIGO or any of its directors or shareholders is required. This Agreement has been, and each other Transaction Document will be, at the Closing, duly executed and delivered by VBF and SIGO and constitute, or will, when delivered, constitute the legal, valid, and binding obligation of VBF and SIGO, enforceable against VBF and SIGO in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar Laws and equitable principles relating to or limiting creditors' rights generally.

3.3 No Conflict; Third-Party Consents. The execution and delivery of this Agreement, and the other Transaction Documents do not, and the performance and consummation of the Transactions will not (i) violate or conflict with the provisions of the Articles of Organization, Incorporation, By-Laws or Operating Agreement of VBF and SIGO, (ii) require any consent, approval or notice under, violate or result in the violation of, conflict with or result in a breach of any provisions of, constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, result in the termination of, accelerate the performance required by or result in a right of termination or acceleration, result in the loss of a benefit under or result in the creation of any Lien upon any of the Acquired Assets under the terms, conditions or provisions of any Contract, instrument, or other obligation to which VBF and SIGO are parties or any of VBF and SIGO properties or assets are subject, (iii) result in a breach or violation by VBF and SIGO and of any of the terms, conditions or provisions of any Law or Order, or (iv) require on the part of VBF and SIGO and any Permit to be obtained or made.

3.4 Approvals. Except for such approvals required to transfer the Acquired Assets with the Licensing Authorities, no consent, approval, or authorization of, or registration or filing with, any Person or Governmental Entity is required in connection with the execution or delivery this Agreement or any other Transaction Document by VBF and SIGO or the consummation of the Transactions by VBF and SIGO.

3.5 Financial Information; No Undisclosed Liabilities. VBF delivered to Buyer financial statements (Section 3.5(a) with true and complete copies of the profit and loss statements of VBF as of November 1, 2020 through March 19, 2021 (collectively, the "Financial Statements"). The Financial Statements (i) fairly present, in all material respects, the financial condition of the Business as of such date, the results of the Business' operations and changes in members' equity, and cash flows at and as of the dates and during the periods specified, and (ii) were compiled from books and records regularly maintained by management of VBF used to prepare the Financial Statements of the Business. To the Knowledge of VBF, VBF has no liabilities other than as set forth in the Financial Statements or other liabilities incurred in the ordinary course of business and consistent with past practice as disclosed in Section 3.5(a) of the VBF Disclosure Schedules. VBF has no material 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 that would have a Material Adverse Effect on VBF's Business, except (a) those which are adequately reflected or reserved against in the Financial Statements, and (b) those which have been incurred in the ordinary course of business consistent with past practice since which are not, individually or in the aggregate, material in amount.

3.6 Contracts. Prior to the date hereof, VBF has made available to Buyer true, correct and complete copies of all of such material written Contracts, each such material written Contract is legal, valid, binding, enforceable, and in full force and effect, and except for any case where a material written Contract expires in accordance with its terms after the date of this Agreement, VBF is not in breach or default in any material respect under any such Contract, and to the Knowledge of VBF, no other party to any such Contract is in breach or default thereof. None of the material written Contracts is between VBF and any member, officer, director, Affiliate of family member thereof.

3.7 Leased Real Property; Tangible Property; Title to Acquired Assets. VBF has not acquired or disposed of any ownership interest in any real property. Section 3.7(a) of the VBF Disclosure Schedule contains a list of all the addresses of all real property leased by VBF (to the extent applicable to the Business), indicating the name and address of the lessor and/or sublessor together with any amendments, modifications, extensions, or other agreements thereto (the "Real Property Leases"). With respect to the premises subject of the Real Property Leases, (i) VBF has quiet possession thereof, and has valid leasehold interests providing exclusive and legally enforceable rights to use such premises, free and clear of all Liens other than Permitted Liens; (ii) the current use of the premises by VBF does not violate the certificate of occupancy thereof, any local zoning or similar land use or other Laws or any of the terms and conditions of the applicable Real Property Lease; and (iii) VBF has not received written notice of any pending or threatened condemnation proceeding, or of any sale or other disposition in lieu of condemnation, affecting any of the same. There are no leases, subleases, licenses, concessions, or other agreements granting to any party or parties other than VBF the right of use or occupancy of any portion of, or any interest in, any of the premises that are the subject of the Real Property Leases, and, to the Knowledge of VBF, there are no outstanding options or rights of first refusal to purchase any of the same. No premises that are the subject of any Real Property Lease are used for any material purpose other than the conduct of the Business.

VBF has good, marketable, and valid title to, or a valid license and/or leasehold interest in, all of the Acquired Assets, subject to the SIGO Notes. The properties and Acquired Assets of the Business are suitable for the purposes for which they are intended, have been maintained in accordance with normal industry practices and are in good operating condition and repair in all material respects and are usable in the ordinary course of business.

The Acquired Assets constitute all of the property and assets (real, personal, tangible and intangible) used by VBF in the Business as presently conducted and are sufficient to enable Buyer to operate the Business immediately after the Closing in substantially the same manner as VBF conducted the Business on the Closing Date.

3.8 Intellectual Property.

- Business Intellectual Property. Section 3.8(a) of VBF's Disclosure Schedule contains a complete and accurate list of the material Business Intellectual Property that is used to conduct the Business by VBF.
- License Agreements. VBF is not a party to any license, sublicense or other agreement relating to Business Intellectual Property pursuant to which VBF either licenses any Business Intellectual Property owned by VBF or relating to the right of VBF to use the intellectual property or proprietary rights of any Person.
- No Infringement. To the Knowledge of VBF, VBF's operation of the Business does not infringe upon the Intellectual Property rights of any other Person. To the Knowledge of VBF, no Person or any of such Person's products or services, Intellectual Property or other operation of such Person's business is infringing upon (including infringement by dilution), violating, or misappropriating any Business Intellectual Property.

- No Liens/Ownership. To the Knowledge of VBF, VBF has all right, title and interest in to or all required rights to use the Business Intellectual Property free and clear of all Liens other than Permitted Liens.

3.9 Tax Matters.

VBF has or will have (i) timely filed with the appropriate Taxing Authority (taking into account all available extensions) all Tax Returns concerning Taxes applicable to the Acquired Assets or the Business that are required to be filed by applicable Law in all federal, state, local or foreign jurisdictions in which such Tax Returns are required to be filed, and all such Tax Returns are correct and complete in all material respects, and (ii) timely paid in full all Taxes required to be paid with respect to the Acquired Assets or the Business (whether or not shown as due on such Tax Returns).

There is no Action pending, nor to the Knowledge of VBF, threat or contemplation of Action, with regard to Taxes, that primarily or exclusively relates to the Acquired Assets or the Business and that would be binding on Buyer or give rise to a Lien with respect to Taxes upon any of the Acquired Assets.

VBF has not received (nor is subject to) any ruling from any Taxing Authority, nor has it entered into (nor are any of them subject to) any election, consent, or agreement (including a closing agreement) with a Taxing Authority with respect to any Acquired Asset or the Business that would be binding on Buyer.

3.10 Litigation. There is no Action pending, nor to the Knowledge of VBF, threatened against VBF or that relates to the Acquired Assets, the Assumed Liabilities, or the Business, and (ii) there is no Order to which VBF is subject. There is no unsatisfied judgment or any Order applicable to VBF, the Business, or the Acquired Assets.

3.11 Employee Matters.

To the Knowledge of VBF, VBF is and, since the date of VBF's organization, has been in compliance in all material respects with all Laws relating to employment matters, including provisions thereof relating to wages, hours, equal opportunity, collective bargaining, classification of employees, immigration, occupational health and safety, discrimination against race, color, national origin, religious creed, physical or mental disability, sex, age, ancestry, medical condition, marital status or sexual orientation, and the withholding and payment of social security and other Taxes. No Actions are pending or, to the Knowledge of VBF, threatened in any forum by or on behalf of any present employee of VBF alleging breach of any express or implied Contract of employment, any Laws governing employment, or other unlawful, discriminatory, wrongful, tortuous conduct in connection with the employment relationship. VBF is not bound by or subject to (and none of their assets or properties are bound by or subject to) any collective bargaining agreement. There has never been any strike, slowdown, work stoppage or lockout involving VBF or the Business, and no such strike, slowdown, work stoppage, or lockout is pending, or to the Knowledge of VBF, threatened.

No employee of VBF will become entitled to any bonus, retirement, severance or similar benefit or enhanced benefit, nor will the vesting of, entitlement to, or receipt of any such benefit be accelerated, solely as a result of the Transactions.

3.12 Compliance with Laws.

To the Knowledge of VBF, VBF is and at all times has been and the Business has been operated in compliance in all material respects with all applicable Laws and Orders. VBF has not nor, to the Knowledge of VBF, has any officer, director, employee, subsidiary, wholly owned subsidiary, or equity holder of VBF received any notice and there are, to the Knowledge of VBF, any threatened or alleged claims of violations, Liability or potential responsibility under any Law or Order to which any VBF is subject. VBF has not conducted any internal investigation with respect to any actual, potential, or alleged material violations of any Law or Order by any of its directors, officers, subsidiary, wholly owned subsidiary, partners, or employees.

Neither VBF, nor to the Knowledge of VBF, any officer, director, employee, partner, subsidiary, wholly-owned subsidiary, or equity holder of VBF has, directly or indirectly (i) offered or paid any illegal remuneration, in cash or in kind, to, or made any illegal financial arrangements with, any current or former customers suppliers, contractors or third party payors of any VBF in order to obtain business or payments from such Persons, (ii) made or agreed to make, or is aware that there has been made or that there is any agreement to make, any contribution, payment or gift of funds or property to, or for the private use of, any governmental official, employee or agent where either the contribution, payment or gift is or was illegal under state or federal Law.

Notwithstanding anything to the contrary in this Agreement or any other Transaction Document, VBF and the Business make no representations or warranties regarding compliance with the federal laws relating to controlled substances and aiding and abetting a criminal offense.

Environmental Matters. To VBF's Knowledge, VBF is in compliance with all Environmental Laws and any other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules, and timetables contained in such Environmental Laws, insofar as failure to comply with the same could result in any liability affecting, or other reduce the value of the Business and Acquired Assets. VBF has no Knowledge of any liabilities arising in connection with or in any way relating to the Business and Acquired Assets of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, arising under or relating to any Environmental Law, and there are no facts, events, conditions, situations or set of circumstances which could reasonably be expected to result in or be the basis for any such liability. VBF is not aware of any event, condition, circumstance, activity, practice, incident, action or plan which will interfere with or prevent continued compliance with or which would give rise to any liability under any Environmental Law or give rise to any common law or statutory liability, based on or resulting from VBF's or its agents' manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling, or the emission, discharge, or release into the environment, of any Hazardous Substance, that could result in any liability affecting, or other reduce the value of, the Acquired Assets or Business. To VBF's Knowledge, VBF has taken all actions necessary under applicable requirements of Environmental Law to register any products or materials required to be registered by VBF (or any of its agents) thereunder. To VBF's Knowledge, there is no Proceeding, notice or demand letter pending or threatened against VBF relating in any way to Environmental Laws, or notice or demand letter issued, entered, promulgated, or approved thereunder. To VBF's Knowledge, no property now or previously owned, leased or operated by VBF, nor any property to which Hazardous Substances located on or resulting from the use of any Asset or the Premises have been transported, is listed or, proposed for listing on the National Priorities List promulgated pursuant to CERCLA, on CERCLIS (as defined in CERCLA) or on any similar federal, state, local or foreign list of sites requiring investigation or cleanup.

3.13 Material Customers. There are no outstanding material disputes with any customers. The terms under which customers purchase services from VBF are at market rates and are the result of armslength Transactions. VBF is in compliance with all material conditions and compliance requirements contained in any agreement between VBF and any customer. No customer has notified VBF that it will stop, or materially decrease the rate of, buying services from the Business or otherwise materially change the terms of its relationship with the Business after, or as a result of, the consummation of any of the Transactions.

3.14 Insurance. VBF has been covered since January 1, 2020 by insurance in amount and scope customary and reasonable for the business in which it has engaged during such period.

3.15 Permits. VBF possess all material Permits and have made all notifications, registrations, certifications, and filings with all Governmental Authorities, necessary for the operation of the Business as presently conducted by VBF. VBF is in compliance in all material respects with all such Permits and all such Permits are in full force and effect. VBF has not received written notice from any Governmental Authority, which remains outstanding, regarding any proposed modification, nonrenewal, suspension, or cancellation of any such Permits, and to the Knowledge of VBF, no event has occurred which could reasonably be expected to result in the modification, non-renewal, suspension, or cancellation of any such Permits. There is no Action pending, or to the Knowledge of VBF, threatened by any Governmental Authority with respect to (i) any alleged violation by VBF of any Law, policy, or guideline of any Governmental Authority, (ii) any alleged failure by VBF to have any Permit required in connection with the operation of the Business, or (iii) any revocation, cancellation, rescission, modification, or refusal to renew in the ordinary course, any of the Permits. No material Permit has ever been revoked, cancelled, rescinded, modified or been subject to a refusal to renew.

3.16 Satisfaction of Financial Obligations. VBF has not, at any time, (i) made a general assignment for the benefit of creditors, (ii) filed, or had filed against it, any bankruptcy or insolvency petition or similar filing, (iii) admitted in writing its inability to pay its debts as they become due, (iv) been convicted of, or pleaded guilty or no contest to, any felony, or (v) taken or been the subject of any action that could reasonably be expected to have an adverse effect on its ability to comply with or perform any of its covenants or obligations under the Transaction Documents.

3.17 Brokers and Finders. VBF has not enlisted the services of a broker having any valid right, interest or claim against or upon Buyer for any commission, fee, or other compensation pursuant to VBF's agreement with Buyer or any other agreement, arrangement or understanding entered into by or on behalf of VBF.

3.18 Other Representations and Warranties. Since the date of the Financial Statements, and other than in the ordinary course of business consistent with past practice, there has not been, with respect to the Business, any: (a) event, occurrence or development that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; (b) amendment of the charter, by-laws or other organizational documents of VBF; (c) material change in any method of accounting or accounting practice of the Company, except as required by GAAP or as disclosed in the notes to the Financial Statements; (d) material change in the Company's cash management practices and its policies, practices and procedures with respect to collection of accounts receivable, establishment of reserves for uncollectible accounts, accrual of accounts receivable, inventory control, prepayment of expenses, payment of trade accounts payable, accrual of other expenses, deferral of revenue and acceptance of customer deposits; (e) entry into any Contract that would constitute a Material Contract; (f) incurrence, assumption or guarantee of any indebtedness for borrowed money except unsecured current obligations and Liabilities incurred in the ordinary course of business consistent with past practice; (g) transfer, assignment, sale or other disposition of any of the Acquired Assets shown or reflected in the Financial Statements or cancellation of any debts or entitlements; (h) transfer or assignment of or grant of any license or sublicense under or with respect to any material Company Intellectual Property or Company Intellectual Property Agreements except non-exclusive licenses or sublicenses granted in the ordinary course of business consistent with past practice; (i) abandonment or lapse of or failure to maintain in full force and effect any material Company IP Registration, or failure to take or maintain reasonable measures to protect the confidentiality or value of any material Trade Secrets included in the Company Intellectual Property; (j) material damage, destruction or loss whether or not covered by insurance to the Business or Acquired Assets; (k) any capital investment in, or any loan to, any other Person; (l) acceleration, termination, material modification to or cancellation of any material Contract (including, but not limited to, any Material Contract) to which VBF is a party or by which it is bound; (m) any material capital expenditures; (n) imposition of any Encumbrance upon any of the Business or Acquired Assets, tangible or intangible; (o) grant of any bonuses, whether monetary or otherwise, or increase in any wages, salary, severance, pension or other compensation or benefits in respect of its current or former employees, officers, directors, independent contractors or consultants, other than as provided for in any written agreements or required by applicable Law, (ii) change in the terms of employment for any employee or any termination of any employees for which the aggregate costs and expenses exceed ten thousand dollars ($10,000), or (iii) action to accelerate the vesting or payment of any compensation or benefit for any current or former employee, officer, director, independent contractor or consultant; (p) hiring or promoting any person or employee except to fill a vacancy in the ordinary course of business; (q) adoption, modification or termination of any: (i) employment, severance, retention or other agreement with any current or former employee, officer, director, independent contractor or consultant, (ii) Benefit Plan or (iii) collective bargaining or other agreement with a Union, in each case whether written or oral; (r) any loan to (or forgiveness of any loan to), or entry into any other transaction with, any of its stockholders or current or former directors, officers and employees; (s) entry into a new line of Business or abandonment or discontinuance of existing lines of Business; (t) adoption of any plan of merger, consolidation, reorganization, liquidation or dissolution or filing of a petition in bankruptcy under any provisions of federal or state bankruptcy Law or consent to the filing of any bankruptcy petition against it under any similar Law; (u) purchase, lease or other acquisition of the right to own, use or lease any property or assets for an amount in excess of ten thousand dollars ($10,000); (v) acquisition by merger or consolidation with, or by purchase of a substantial portion of the assets or stock of, or by any other manner, any business or any Person or any division thereof; or, (w) action by VBF to make, change or rescind any Tax election, amend any Tax Return or take any position on any Tax Return, take any action, omit to take any action or enter into any other transaction that would have the effect of increasing the Tax liability or reducing any Tax asset of Buyer in respect of any Post-Closing Tax Period; or any Contract to do any of the foregoing, or any action or omission that would result in any of the foregoing.

3.19 Fair Consideration; No Fraudulent Conveyance. VBF is not entering into this Agreement and the other agreements referenced in this Agreement with the intent to defraud, delay or hinder its creditors and the consummation of the Transactions, and the other agreements referenced in this Agreement, will not have any such effect. The Transaction will not constitute a fraudulent conveyance, or otherwise give rise to any right of any creditor of VBF whatsoever to any of the Business and Acquired Assets after the Closing.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF BUYER REGARDING PURCHASE OF SECURITIES

4.1 Purchase Entirely for Own Account. Buyer confirms that the shares of VBF Common Stock to be acquired by Buyer or their respective designees will be acquired for investment for its own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that Buyer has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Agreement, Buyer further represents that Buyer does not presently have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to any of such shares of VBF Common Stock. Buyer has not been formed for the specific purpose of acquiring such shares of VBF Common Stock.

4.2 Disclosure of Information. Buyer has had an opportunity to discuss VBF's business, management, financial affairs and the terms and conditions of the offering of the shares of VBF Common Stock to be acquired by Buyer with VBF's management and has had an opportunity to review VBF's facilities. Buyer understands that such discussions, as well as any written information delivered by VBF to Buyer, were intended to describe the aspects of VBF's business which VBF believes to be material. Buyer reviewed SIGO and VBF's filings with the Securities and Exchange Commission and/or OTC Markets, including all of Buyer's audited financial statements, current reports, and material quarterly and annual disclosures. further acknowledges and agrees that its purchase of the restricted securities involves risks. Buyer (i) either alone or together with its representatives, has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of this investment, and make an informed decision to so invest, and has so evaluated the risks and merits of such investment; (ii) has the ability to bear the economic risks of this investment and can afford a complete loss of such investment; (iii) understands the terms of, and the risks associated with the acquisition of the restricted shares, including, without limitation, a lack of liquidity, price transparency or pricing availability and risks associated with the industry in which VBF operates; and, (iv) has had the opportunity to review such disclosures regarding its business, financial condition and its prospects as Buyer determined to be necessary in connection with the acquisition of the VBF Common Stock. Buyer is an "accredited investor" as that term is defined in Regulation D promulgated under the 1933 Securities and Exchange Act.

4.3 Restricted Securities. Buyer understands that the shares of VBF Common Stock to be acquired by Buyer have not been registered under the Securities Act. Buyer understands that the shares of VBF Common Stock are being issued to Buyer pursuant to Section 4(2) under the Securities Act or Regulation D promulgated under the Securities Act. Buyer understands that such shares of VBF Common Stock are "restricted securities" under applicable U.S. federal and state securities laws and agrees to resell the shares of VBF Common Stock only pursuant to registration under the Securities Act, or pursuant to an available exemption from registration. Buyer agrees not to engage in hedging transactions with regard to the shares of VBF Common Stock unless in compliance with the Securities Act.

4.4 Rule 144. Buyer is familiar with the provisions of Rule 144 promulgated under the Securities Act, which, in substance, permits limited public resale of "restricted securities" acquired, directly or indirectly, from the issuer of the securities (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions. Buyer understands that VBF provides no assurances as to whether it will be able to resell any or all of the shares of VBF Common Stock pursuant to Rule 144, which rule requires, among other things, that Buyer be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, that resales of securities take place only after the holder of the shares has held the shares for certain specified time periods, and under certain circumstances, that resales of securities be limited in volume and take place only pursuant to brokered transactions. Notwithstanding this Section, Buyer acknowledges and agrees to the restrictions set forth in Section 4.5 below.

4.5 Resale Securities Restrictions. Buyer further understands that in the event all of the applicable requirements of Rule 144 are not satisfied, registration under the Securities Act, compliance with Regulation A promulgated under the Securities Act, or some other registration exemption will be required; and that, notwithstanding the fact that Rule 144 is not exclusive, the staff of the Securities and Exchange Commission has expressed its opinion that Persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

4.6 No General Solicitation. Buyer acknowledges that neither Buyer, nor any of its officers, employees, agents, directors, members or partners (a) has engaged the services of a broker, investment banker or finder to contact any potential investor nor has VBF or any of VBF's officers, employees, agents, directors, members or partners, agreed to pay any commission, fee or other remuneration to any third party to solicit or contact any potential investor; (b) engaged in any general solicitation; or (c) published any advertisement in connection with the offer and sale of the shares of VBF Common Stock being issued hereunder.

4.7 Reliance on Exemptions. Buyer understands that the VBF Common Stock being offered and issued to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that VBF is relying in part upon the truth and accuracy of, and Buyer's compliance with, the representations, warranties, agreements, acknowledgements and understandings of Buyer set forth in this Article 4 in order to determine the availability of such exemptions and the eligibility of Buyer to acquire the VBF Common Stock.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF BUYER

As a material inducement to VBF to enter into and perform its obligations under this Agreement, as of the Closing Date, Buyer represent and warrant to VBF as follows:

5.1 Organization, Corporate Power and Authority. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the states of California and is duly qualified to do business as a foreign corporation in the jurisdictions in which Buyer conducts business, except where the failure to so qualify will not have a material adverse effect on Buyer's ability to perform its obligations under the Transaction Documents to which it is a party. Buyer has all requisite corporate power and authority to execute and deliver the Transaction Documents to which it is a party and to perform its obligations thereunder.

5.2 Authorization of Agreement. The execution, delivery, and performance by Buyer of the Transaction Documents to which it is a party, and the consummation by it of the Transactions, have been duly authorized by all necessary corporate action by Buyer. This Agreement has been, and each other Transaction Document to which Buyer is a party will be at the Closing, duly executed and delivered by Buyer and constitute, or will, when delivered, constitute, the legal, valid and binding obligations of Buyer, enforceable against Buyer, as the case may be, in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar Laws and

equitable principles relating to or limiting creditors' rights generally.

5.3 Effect of Agreement. The execution, delivery and performance by Buyer of the Transaction Documents to which it is a party, and the consummation by it of the Transactions, will not violate the charter documents or bylaws of Buyer or any Law to which Buyer is subject, or any judgment, award or decree or any material indenture, material agreement or other material instrument to which Buyer is a party, or by which Buyer or its properties or assets are bound, or conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under, any such indenture, agreement or other instrument, or result in the creation or imposition of any Lien of any nature whatsoever upon any of the properties or assets of Buyer, except to the extent the effect thereof will not be materially adverse to Buyer's ability to fulfill its obligations under the Transaction Documents to which it is a party.

5.4 Approvals. No Approval or Order or Action of, or filing with, any Governmental Entity or other Person is required to be obtained by Buyer for the execution and delivery by Buyer of the Transaction Documents to which it is a party or the consummation by Buyer of the Transactions other than such filings that may be required under applicable Securities Law and California law and the Licensing Authorities.

5.5 Legal Proceedings. There is no Order or Action pending, or, to the knowledge of Buyer, threatened, against or affecting Buyer in connection with Buyer's performance of the Transactions. There is no matter as to which Buyer or, to the knowledge of Buyer, any Affiliate of Buyer has received any notice, claim or assertion, or, to the knowledge of Buyer, which otherwise has been threatened against or affecting Buyer in connection with Buyer's performance of the Transactions.

5.6 Independent Investigation. Buyer has conducted its own independent investigation, review and analysis of the Business, Acquired Assets, and Assumed Liabilities, and acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of VBF for such purpose. Buyer acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the Transactions, Buyer has relied solely upon its own investigation and the express representations and warranties of VBF in Article 3; and (b) neither VBF nor any other Person has made any representation or warranty as to the Business, the Acquired Assets, the Assumed Liabilities, or this Agreement, except as expressly set forth in Article 3 of this Agreement.

ARTICLE 6
ADDITIONAL COVENANTS

6.1 Confidentiality. All non-public information disclosed by any party to any other party, whether before or after the date hereof, in connection with the Transactions, or the discussions and negotiations preceding this Agreement shall be kept confidential by the receiving party and shall not be used by any receiving party other than as contemplated by this Agreement, except to the extent that such information shall have become public knowledge other than through a breach of this Agreement by receiving party seeking to disclose the information, may otherwise be required by Law, or to the extent such duty as to confidentiality is waived in writing by the disclosing party.

VBF, shall not, and VBF shall use all reasonable efforts to cause its representatives and Affiliates to not, at any time after the Closing, make use of, divulge or otherwise disclose, directly or indirectly, any trade secret, other proprietary data (including, but not limited to, any customer list, record or financial information), or other confidential information, concerning the Acquired Assets, except to the extent that such information may otherwise be required by Law or to the extent such duty as to confidentiality is waived in writing by Buyer.

The obligations under this Section 6.1 shall not expire.

6.2 License Change of Ownership Application Cooperation. Consistent with the Management Services Agreement, the Cooperation Agreement and the Executive Employment Agreement, after the Closing, VBF and Livacich shall provide Buyer, or cause to be provided to Buyer, any records and all other information in their respective possession (or reasonably available to them) as may be reasonably requested and determined to be necessary by Buyer in connection with the preparation of Buyer's license change of ownership applications Buyer's obligations to conduct an independent audit of VBF in order to comply with any financial reporting obligations in connection with the consummation of the Transactions.

6.3 Tax/Audit Cooperation. After the Closing, VBF and Lori Livacich shall provide Buyer any applicable records and other information in their respective possession (or reasonably available to them) requested by Buyer in connection with the preparation of any Tax Returns or in connection with any Tax investigation, or financial audit or other proceeding. Any information obtained pursuant to this Section 6.3, or pursuant to any other Section hereof providing for the sharing of confidential information, shall be subject to Section 6.1.

6.4 All Reasonable Efforts. Subject to the terms and conditions herein provided, each of VBF and Livacich shall use all commercially reasonable efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper, and advisable under applicable Laws and regulations to consummate and make effective as promptly as practicable the sale of the Acquired Assets to Buyer and their compliance with the terms and conditions of the Management Services Agreement, Executive Employment Agreement, Cooperation Agreement, sub-lease option agreement. If at any time after the Closing any further action is necessary to carry out the purposes of the Transaction Documents, including, without limitation, the execution of additional documents or instruments, the parties to the Transaction Documents shall take all such necessary action.

6.5 Post-Closing Cooperation Relating to Acquired Assets. For a period of 12 months following the Closing Date, if reasonably requested by Buyer and reasonably performable by VBF and Livacich, (a) VBF, and Livacich shall exercise all commercially reasonable efforts to cooperate with Buyer in enforcing the terms of any agreements between VBF and any third party involving the activities associated with the Business and Acquired Assets (at the cost and expense of Buyer, if any); and (b) VBF and Livacich shall cooperate fully with Buyer and make all commercially reasonable efforts to provide access to any records or personnel of VBF (that are then reasonably available to VBF) to the extent Buyer finds such access necessary in order to transition ownership of Acquired Assets into service of Buyer.

6.6 Non-competition and Non-Solicitation.

With the exception of Livacich's involvement with, and participation in, the Calamus and Potter Road, LLC projects, VBF and Livacich covenants and agrees that, commencing on the Closing Date and ending on the third (3rd) anniversary of the Closing Date (the "Noncompetition Period"), neither VBF nor Livacich shall, without the prior written consent of Buyer, directly or indirectly, in any capacity (including as an officer, director, manager, member, stockholder, partner, employee, consultant, contractor, investor or lender), engage in or have any direct or indirect ownership interest in, any Competing Business located, operating or engaged in business in the State of California utilizing the Business or Acquired Assets sold to Buyer.

"Competing Business" means operating a cannabis dispensary business operating under a Marijuana Cultivation license, and a Marijuana Product Manufacturer license businesses in the State of California.

Unless agreed to in advance by Buyer, VBF and Lori Livacich covenants and agrees that during the Noncompetition Period, neither shall employ, retain, engage, or solicit the employment or engagement of services of any current or former employee of VBF employed by Buyer after the Closing, in a full or part-time basis in a Competing Business and VBF and Livacich will fully comply with the Cooperation Agreement.

VBF and Livacich acknowledges that any violation of this Section 6.6 may result in irreparable injury to Buyer and the Business and Acquired Assets and agrees that Buyer shall be entitled to seek an injunction against VBF and Livacich from any court having jurisdiction over the matter, restraining any further violation of this Section 6.6, which rights shall be cumulative and in addition to any other rights or remedies to which Buyer may be entitled. VBF and Livacich acknowledges that each has carefully read this Agreement and has considered the restraints imposed upon such VBF and Livacich by this Section 6.6 and is in full accord as to their necessity for the reasonable and proper protection of confidential information and other legitimate business interests relating to the Business now existing and to be developed in the future. VBF and Livacich expressly acknowledges and agrees that each and every restraint imposed by this Section 6.6 is reasonable with respect to subject matter, time period and geographical area.

In the event that any covenant contained in this Section 6.6 should ever be adjudicated to exceed the time, geographic, product or service or other limitations permitted by applicable Law in any jurisdiction, then any court is expressly empowered to reform such covenant, and such covenant shall be deemed reformed, in such jurisdiction to the maximum time, geographic, product or service or other limitations permitted by applicable Law. The covenants contained in this Section 6.6 and each provision thereof are severable and distinct covenants and provisions. The invalidity or unenforceability of any such covenant or provision as written shall not invalidate or render unenforceable the remaining covenants or provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such covenant or provision in any other jurisdiction.

ARTICLE 7 INDEMNIFICATION; SURVIVAL

7.1 Indemnification by VBF, SIGO and Livacich. Subject to the terms and conditions of this ARTICLE 7, following the Closing, VBF, SIGO and Livacich shall indemnify, defend and hold harmless Buyer and each of its Affiliates, and their respective stockholders, members, successors, assigns, directors, officers, and representatives and each of their respective successors and assigns (collectively, the "Buyer Indemnified Parties"), and hold them harmless from, any Loss suffered or incurred by any such Buyer Indemnified Party, whether such Loss exists or accrues prior to, or subsequent to or on the Closing Date, to the extent such Loss arose or resulted from:

- any inaccuracy or breach as of the date hereof or as of the Closing Date of any representation or warranty of VBF, SIGO and Livacich contained in this Agreement or any other Transaction Document;
- the nonfulfillment, nonperformance or other breach of any agreement, covenant, obligation or undertaking of VBF, SIGO and Livacich contained in this or any other Transaction Document;
- any Excluded Asset or Excluded Liability;
- any Tax imposed on VBF, SIGO and Livacich as a result of the Transactions;
- any liability including costs and attorney fees should the Conditions to this Agreement in Section 2.4 fail; and,
- the operation of the Business, including all liabilities of any kind, prior to the Closing Date.

For purposes of determining whether there has been a breach and the amount of any losses that are the subject matter of a claim for indemnification, each representation and warranty in this Agreement will be read without regard and without giving effect to the term "material" or "material adverse effect" (fully as if any such word or phrase were deleted from such representation and warranty).

7.2 Indemnification by Buyer. Subject to the terms and conditions of this ARTICLE 7, following the Closing, Buyer shall indemnify the VBF, SIGO and Livacich and their respective officers, directors, shareholders, affiliates, employees, assigns, agents and Representatives and each of their respective successors and assigns, heirs and beneficiaries (collectively, the "VBF Indemnified Parties") against, and hold them harmless from, any Loss suffered or incurred by any such VBF Indemnified Party, whether such Loss exists or accrues prior or subsequent to the Closing Date, arising or resulting from or based upon:

- any inaccuracy or breach of any representation or warranty of Buyer contained in this Agreement or any other Transaction Document;
- the nonfulfillment, nonperformance or other breach of any agreement, covenant, obligation or undertaking of Buyer or Buyer contained in this or any other Transaction Document; and
- the operation of the Business by Buyer or Buyer after the Closing Date.

For purposes of determining whether there has been a breach and the amount of any losses that are the subject matter of a claim for indemnification, each representation and warranty in this Agreement will be read without regard and without giving effect to the term "material" or "material adverse effect" (fully as if any such word or phrase were deleted from such representation and warranty).

7.3 Termination of Indemnification. The obligations to indemnify and hold harmless an Indemnified Party (i) pursuant to Section 7.1 and Section 7.2 shall terminate when the applicable representation or warranty terminates pursuant to Section 7.6; provided, however, that such obligations to indemnify and hold harmless shall not terminate with respect to any specific matter as to which the Person to be indemnified shall have, before the expiration of the applicable period, previously made a claim by delivering a written notice thereof (stating in reasonable detail the basis of such claim) (a "Claim Notice") to the Indemnifying Person.

7.4 Procedures Relating to Indemnification for Third-Party Claims.

In order for an Indemnified Person to be entitled to any indemnification provided for under this ARTICLE 7 in respect of, arising out of or involving a claim or demand made by any third-party against the Indemnified Person (a "Third-Party Claim"), such Indemnified Person must provide the Indemnifying Person with a Claim Notice regarding the Third-Party Claim promptly and in any event within thirty (30) days after

receipt by such Indemnified Person of written notice of the Third-Party Claim; provided, however, that failure to give such notification shall not affect the indemnification provided hereunder except, and solely to the extent that, the Indemnifying Person shall have been actually and materially prejudiced as a result of such failure; provided, further that only VBF, or VBF's successors or assigns, may make claims on behalf of VBF.

If a Third-Party Claim is made against an Indemnified Person, the Indemnifying Person will be entitled to participate in the defense thereof and, if it so chooses, to assume the defense thereof with counsel selected by the Indemnifying Person; provided, however, that any such assumption of the defense by the Indemnifying Person shall constitute an acknowledgement and acceptance by the Indemnifying Person of its obligation to indemnify the Indemnified Person for all Losses arising out of such ThirdParty Claim. If the Third-Party Claim includes allegations for which the Indemnifying Person both would and would not be obligated to indemnify the Indemnified Person, the Indemnifying Person and the Indemnified Person shall in that case jointly assume the defense thereof. If in the reasonable good faith opinion of any Indemnified Person a conflict of interest exists in respect of such claim (including that the Indemnified Person has defenses available to it that may conflict with those of the Indemnifying Person), such Indemnified Person shall have the right to employ separate counsel to represent such Indemnified Person and in that event the legal fees and expenses subsequently incurred by the Indemnified Person in connection with the defense thereof shall be paid by the

Indemnifying Person. If the Indemnifying Person assumes such defense, the Indemnified Person shall have the right to participate in the defense thereof and, at its own expense, to employ counsel reasonably acceptable to the Indemnifying Person, separate from the counsel employed by the Indemnifying Person, it being understood that the Indemnifying Person shall control such defense. The Indemnifying Person shall be liable for the fees and expenses of counsel employed by the Indemnified Person for any period during which the Indemnifying Person has not assumed the defense thereof. The Indemnified Person shall cooperate with the Indemnifying Person in the defense or settlement thereof, and the Indemnifying Person shall reimburse the Indemnified Person for all its reasonable out-of-pocket expenses in connection therewith. The Indemnifying Person shall not, in the defense of a third party claim, make any payment of any of such claims, consent to the entry of any judgment or enter into any settlement with respect to any third party claim without the prior written consent of the Indemnified Person (which consent shall not be unreasonably withheld or delayed) unless the judgment or proposed settlement (i) involves only the payment of money damages and does not involve any finding or admission of any violation of Law, (ii) includes, as an unconditional term thereof, a release of such Indemnified Person given by the claimant or the plaintiff from any liabilities arising from such Third Party Claim, and (iii) does not impose an injunction or other equitable relief, directly or indirectly, upon such Indemnified Person or result in an admission of any wrongdoing by the Indemnified Person. If the Indemnifying Person fails to vigorously defend the Third Party Claim, then the Indemnified Person will have the right to defend, at the sole cost and expense of the Indemnifying Person, the Third Party Claim by all appropriate proceedings, which proceedings will be prosecuted by the Indemnified Person (with the consent of the Indemnifying Person, which consent will not be unreasonable withheld conditioned or delayed), but only to the extent that the Indemnified Person is entitled to indemnification pursuant to this ARTICLE 7.

7.5 Procedures Relating to Indemnification for Non-Third-Party Claims. In order for an Indemnified Person to be entitled to any indemnification provided for under this Agreement in respect of, arising out of or involving a claim or demand that is not a Third-Party Claim, such Indemnified Person must provide the Indemnifying Person with a Claim Notice; provided, however, that failure to give such notification shall not affect the indemnification provided hereunder except, and solely to the extent that, the Indemnifying Person shall have been actually and materially prejudiced as a result of such failure provided. The Claim Notice shall set forth the amount, if known, or, if not known, an estimate of the foreseeable maximum amount of claimed Losses (which estimate shall not be conclusive of the final amount of such Losses) and a description of the basis for such claim. The Indemnifying Person will have thirty (30) days from receipt of such Claim Notice to dispute the claim and will reasonably cooperate and assist the Indemnified Person in determining the validity of the claim for indemnification. If the Indemnifying Person does not give notice to the Indemnified Person that it disputes such claim (which such dispute notice shall set forth in reasonable detail the reasons for such dispute) within thirty (30) days after its receipt of the Claim Notice, the claim specified in such Claim Notice shall be conclusively deemed a Loss subject to indemnification hereunder.

7.6 Survival of Representations, Warranties, Covenants and Agreements. The representations and warranties of VBF, SIGO and Livacich contained in this Agreement and the other Transaction Documents shall survive the Closing and remain in full force (i) indefinitely, including, without limitation, with respect to Section 3.1 (Organization, Power, Standing), Section 3.2 (Authorization and Approval of Agreements), and Section 3.7 (Leased Real Property; Tangible Property; Title to Acquired Assets), (ii) for a period of sixty (60) days following the expiration of the applicable statute of limitations (including extensions), with respect to matters covered by Section 3.9 (Tax Matters), and (iii) for a period of twenty-four (24) months following the Closing Date with respect to all other representations, warranties and covenants, except that any representation or warranty that would otherwise terminate and will continue to survive if a written notice of a breach thereof shall have been timely given to the breaching party by the other party on or prior to such termination date, until the related claim for indemnification is satisfied or otherwise resolved as

7.7 provided in this ARTICLE 7. The representations and warranties of Buyer or Buyer contained in this Agreement and the other Transaction Documents shall survive the Closing and remain in full force (x) indefinitely, with respect to Section 4.1 (Organization, Corporate Power, Authority), Section 4.2 (Authorization of Agreement), and (y) for a period of period of twenty-four (24) months following the Closing Date with respect to all other representations, warranties and covenants, except that any representation or warranty that would otherwise terminate in accordance with clause (x) and (y) will continue to survive if a written notice of a breach thereof shall have been timely given to the breaching party by the other party on or prior to such termination date, until the related claim for indemnification is satisfied or otherwise resolved as provided in this ARTICLE 7.

7.8 Sole Remedy. Provided that Closing has occurred, except with respect to claims related to fraud or willful misconduct, claims made pursuant to this ARTICLE 7 shall constitute the sole remedy for Losses under the terms of this Agreement and in connection with the Transactions.

7.9 Right to Indemnification. The rights of Buyer to indemnification or any other remedy under this Agreement shall not be impacted or limited by any knowledge that Buyer may have acquired, or could have acquired, whether before or after the Closing Date, nor by any investigation or diligence by Buyer. VBF hereby acknowledges that, regardless of any investigation made (or not made) by or on behalf of Buyer, and regardless of the results of any such investigation, Buyer has entered into the Transactions in express reliance upon the representations and warranties of VBF and SIGO made in this Agreement.

7.10 Characterization of Indemnification Payments. The Parties shall treat any indemnification payment made pursuant to this Article 7 as an adjustment to the purchase price unless the Indemnified Person provides an opinion of a nationally recognized tax counsel that any such amount will not constitute an adjustment to the purchase price for federal income tax purposes.

ARTICLE 8 GENERAL

8.1 Amendments; Waivers. This Agreement and any Exhibit and Schedule attached hereto may be amended only by agreement in writing of all Parties. No waiver of any provision nor consent to any exception to the terms of this Agreement shall be effective unless in writing and signed by the party to be bound and then only to the specific purpose, extent and instance so provided.

8.2 Exhibits; Integration. Each Exhibit and Schedule delivered pursuant to the terms of this Agreement shall be in writing and shall constitute a part of this Agreement. This Agreement, together with such Exhibits and Schedules, constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior agreements and understandings of the parties in connection therewith.

8.3 Governing Law; Submission to Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the internal Laws of the State of California without regard to the choice of Law principles thereof. Each of the parties hereto irrevocably submits to the exclusive jurisdiction of the courts of the State of California located in Los Angeles and the United States District Court for Central District of California for the purpose of any suit, action, proceeding, or judgment relating to or arising out of this Agreement and the Transactions. Service of process in connection with any such suit, action or proceeding may be served on each party hereto anywhere in the world by the same methods as are specified for the giving of notices under this Agreement. Each of the parties hereto irrevocably consents to the jurisdiction of any such court in any such suit, action or proceeding and to the laying of venue in such court. Each party hereto irrevocably waives any objection to the laying of venue of any such suit, action or proceeding brought in such courts and irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum

8.4 No Assignment. Neither this Agreement nor any rights or obligations hereunder are assignable without the prior written consent of the other parties.

8.5 Headings. The descriptive headings of the Articles, Sections and subsections of this Agreement are for convenience only and do not constitute a part of this Agreement.

8.6 Counterparts. This Agreement and any amendment hereto or any other agreement (or document) delivered pursuant hereto may be executed in one or more counterparts and by different parties in separate counterparts. All of such counterparts shall constitute one and the same agreement (or other document) and shall become effective (unless otherwise provided therein) when one or more counterparts have been signed by each party and delivered to the other party. A signed copy of this Agreement or any other Transaction Documents delivered by facsimile or by other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy.

8.7 Publicity and Reports. No party shall issue a press release, public statement or other public notice relating to this Agreement, or the Transactions, without obtaining the prior consent of the other party.

8.8 Remedies Cumulative. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available. In addition, Article 8 shall not be deemed to preclude or otherwise limit in any way the exercise of any other rights or pursuit of other remedies for the breach of this Agreement or with respect to any misrepresentation.

8.9 Parties in Interest. This Agreement shall be binding upon and inure to the benefit of each party, and nothing in this Agreement, express or implied, is intended to confer upon any other Person any rights or remedies of any nature whatsoever under or by reason of this Agreement. Nothing in this Agreement is intended to relieve or discharge the obligation of any third Person to any party to this Agreement.

8.10 Notices. All notices and other communications required or permitted under this Agreement or any other Transaction Documents shall be in writing and shall be either hand delivered in person, sent by facsimile, sent by certified or registered first-class mail, postage prepaid, or sent by nationally recognized express courier service. Such notices and other communications shall be effective upon receipt if hand delivered or sent by facsimile, three Business Days after mailing if sent by mail, and one Business Day after dispatch if sent by express courier, to the following addresses, or such other addresses as any party may notify the other parties in accordance with this Section 8.10:

If to Buyer, addressed to:

Salinas Diversified Ventures, Inc.
633 5th Street, Ste. 2826
Los Angeles, CA 90071
Corporate Phone: (305) 450-5222
Attention: Jesus M. Quintero
Email: jesus@hempsmart.com

with a copy (which shall not constitute notice) to:

MAILANDER LAW OFFICE, INC.
4811 49th Street
San Diego, CA 92115
Phone: (619) 239-9034
Fax: (619) 537-7193
Attention: Tad Mailander
Email: tad@mailanderlaw.net

If to VBF, addressed to:

VBF Brands, Inc.
Ms. Lori Livacich

20420 Spence Road
Salinas, CA 93908
Phone: 949 254-3698
Email: lori@vortextennis.com, lori@vbfbrands.com

If to SIGO and Livacich, addressed to:

Ms. Lori Livacich
20420 Spence Road
Salinas, CA 93908
Phone: 949 254-3698
Email: lori@vortextennis.com, lori@vbfbrands.com

If to St. George, addressed to:

Mr. John Fife
303 East Wacker Drive, Ste. 1040
Chicago, IL 60601
Phone: (312) 297-7004
Email: jfife@chicagoventure.com

or to such other address or to such other Person as either party shall have last designated by such notice to the other party.

8.11 Expenses and Attorneys' Fees. Each party shall be responsible for its own expenses and attorneys' fees incurred in negotiating, executing, preparing and delivering the Transaction Documents, including but not limited to all legal, accounting, broker, finder and financial advisor fees.

8.12 Specific Performance. Each party acknowledges that, in view of the uniqueness of the Acquired Assets and the Transactions, each party would not have an adequate remedy at Law for money damages in the event that this Agreement has not been performed in accordance with its terms, and therefore agrees that the other party shall be entitled to specific enforcement of the terms hereof in addition to any other remedy to which it may be entitled, at Law or in equity.

ARTICLE 9 DEFINITIONS

9.1 Definitions. For all purposes of this Agreement, except as otherwise expressly provided:

- the terms defined in this Article 9 have the meanings assigned to them in this Article 9 and include the plural as well as the singular;
- all accounting terms not otherwise defined herein have the meanings assigned under GAAP;
- all references in this Agreement to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of the body of this Agreement;
- unless the context clearly requires otherwise, the use of the terms "including," "included," "such as," or terms of similar meaning, shall not be construed to imply the exclusion of any other particular elements and shall be deemed to be followed by the words "without limitation."

- pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms; and
- the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.

As used in this Agreement and the Exhibits delivered pursuant to this Agreement, the following definitions shall apply.

"Action" means any action, complaint, petition, investigation, suit or other proceeding, whether civil or criminal, in law or in equity, or before any arbitrator or Governmental Entity.

"Affiliate" means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, a specified Person. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Approval" means any approval, authorization, consent, qualification or registration, or any waiver of any of the foregoing, required to be obtained from, or any notice, statement or other communication required to be filed with or delivered to, any Governmental Entity or any other Person.

"Assumed Contracts" has the meaning set forth in Section 1.1(a).

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

"Business" has the meaning set forth in the Recitals.

"Business Day" means a day other than Saturday, Sunday or any day on which banks located in the States of California are authorized or obligated to close.

"Business Intellectual Property" means all Intellectual Property that is used in the operation of the Business.

"Closing" has the meaning set forth in Section 2.1.

"Closing Date" has the meaning set forth in Section 2.1.

"Contract" means all contracts, agreements, licenses (including implied licenses), sales order, purchase order, commitments, leases, liens, debt instruments, indentures, settlements, obligations, liabilities, partnerships, arrangements and understandings, in any case whether written or oral, which constitute contracts under applicable Laws.

"Customer Accounts" means the Customer Accounts listed on Schedule 1.1(b) to this Agreement.

"Employee Benefit Arrangements" means, whether written or oral, each and all pension, supplemental pension, deferred compensation, incentive award or benefit, option or other equitybased program, accidental death and dismemberment, insurance coverage (including self-insured arrangements) life and health benefits (including medical, dental, vision and hospitalization), short- and long-term disability, fringe benefit, cafeteria plan, flexible spending account programs, employment, severance and other employee benefit arrangements, plans, contracts, policies or practices maintained by VBF or Stockholder (as applicable to the Business) that provides or provided employee or executive compensation or benefits to or for any employees or former employees of VBF or Stockholder (as applicable to the Business), other than the Employee Plans.

"Employee Plans" means each and all "employee benefit plans," as defined in Section 3(3) of ERISA, maintained or contributed to by VBF (as applicable to the Business) or in which VBF (as applicable to the Business) participates or participated and that provides (or when in effect provided) benefits to or for employees of VBF that is (or when in effect was) subject to any provision of ERISA (including Title IV of ERISA) and is maintained or contributed to by VBF or any of its Affiliates. For purposes of this Agreement, "Employee Plan" also includes any arrangement that would be defined as an "employee benefit plan" under Section 3(3) of ERISA if it was not (i) otherwise exempt from ERISA by another section of ERISA or (ii) maintained outside the United States.

"Environmental, Health and Safety Laws" means, all Laws relating to or imposing Liability or standards of conduct concerning pollution or protection of the environment, public health and safety, or employee health and safety, and all judgments, orders and decrees of any Governmental Entity having the force and effect of law issued or promulgated thereunder, and all related common law theories (including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act of 1976, the Occupational Safety and Health Act of 1970, each as amended).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Excluded Assets" shall have the meaning set forth in Section 1.2.

"Excluded Contracts" has the meaning set forth in Section 1.2(a).

"Excluded Liabilities" has the meaning set forth in Section 1.4.

"Financial Statements" has the meaning set forth in Section 3.5.

"GAAP" means generally accepted accounting principles in the United States, as in effect from time to time.

"Governmental Entity" means any government or any agency, district, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign.

"Indebtedness" means, as to any Person, without duplication, the aggregate amount of (a) all obligations for borrowed money and all accrued but unpaid prepayment premiums or penalties and any other fees and expenses paid to satisfy such indebtedness, (b) all obligations evidenced by bonds, debentures, notes or similar instruments, (c) all obligations upon which interest charges are customarily paid, (d) all obligations under conditional sale or other title retention agreements relating to property purchased, (e) all obligations issued or assumed as the deferred purchase price of property or services (excluding obligations to creditors for goods and services incurred in the ordinary course of business and accrued expenses), (f) all capitalized lease obligations, (g) all obligations of others secured by any Lien on property or assets owned or acquired, whether or not the obligations secured thereby have been assumed, (h) all obligations under standby letters of credit, (i) all obligations to purchase securities (or other property) which arise out of or in connection with the sale of the same or substantially similar securities or property, and (j) all guarantees and arrangements having the economic effect of a guarantee of any Indebtedness (as defined in the preceding clauses) of any other Person.

"Intellectual Property" means all intellectual property and proprietary rights throughout the world, including all forms of intellectual property and proprietary rights, whether or not subject to registration or registered, including software, inventions (whether or not patentable or reduced to practice) and all improvements thereto, trademarks, service marks, trade names including "VBF Brands" value and purpose, corporate names, trade dress, logos, and other indicators of source (and the goodwill associated therewith), copyrightable works and all works of authorship (whether or not copyrightable), "moral" rights, know-how, trade secrets, technologies, databases, processes, techniques, protocols, methods, formulae, algorithms, layouts, designs, specifications, confidential information, testing information, research and development information, plans, proposals and technical data, business and marketing plans, market surveys, market know-how and customer lists, and copies and tangible embodiments of any of the forgoing.

"Knowledge of VBF, SIGO or Livacich" or any similar phrase means the actual knowledge of Livacich and knowledge that Livacich would acquire upon due inquiry.

"Law" means any constitutional provision, statute or other law, rule, regulation, or interpretation of any Governmental Entity and any Order.

"Liabilities" means any direct or indirect liability, Indebtedness, guaranty, claim, loss, damage, deficiency, assessment, fine, penalty, obligation or responsibility of any kind or nature, whether fixed or unfixed, choate or inchoate, liquidated or unliquidated, secured or unsecured, asserted or unasserted, due or to become due, accrued or unaccrued, absolute, known or unknown, matured or unmatured, contingent or otherwise.

"Licensing Authorities" means the City of Salinas, County of Monterey, and the State of California.

"Lien" means any claim, charge, easement, encumbrance, lease, covenant, security interest, lien, option, pledge, rights of others, or

restriction (whether on voting, sale, transfer, disposition or otherwise), whether imposed by agreement, understanding, Law, equity or otherwise.

"Loss" or "Losses" means any losses, expenses, fees, costs, damages, fines, penalties, judgments, awards, financial responsibility for investigation, removal and clean-up costs and natural resource damage, actions, suit or proceedings and other Liabilities, including fees and expenses of attorneys, accountants, third-party experts and consultants, less insurance recovery, if any.

"Order" means any decree, injunction, judgment, order, ruling, assessment or writ.

"Permit" means any license, permit, franchise, certificate of authority, or order, or any waiver of the foregoing, required to be issued by any Governmental Entity.

"Permitted Liens" means (i) Liens for Taxes not delinquent or being contested in good faith through appropriate proceedings, (ii) statutory landlord's, mechanic's or other similar Liens arising or incurred in the ordinary course of business and for amounts which are not delinquent and which are set forth on the face of the August 12, 2017 balance sheet, (iii) recorded easements, covenants and other restrictions of record.

"Person" means an association, a corporation, an individual, a partnership, a trust or any other entity or organization, including a Governmental Entity.

"Real Property Leases" has the meaning set forth in Section 3.7.

"Tax" means (a) any U.S. federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, escheat (whether or not considered a tax under applicable law), sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, healthcare (whether or not considered a tax under applicable law) or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not, (b) any liability for a "Tax" (as described in clause (a)) of another Person resulting from any transferee, secondary, contractual or other similar liability, or (c) any liability for a "Tax" (as described in clause (a)) of another Person assumed by agreement or arising as a result of being (or ceasing to be) a member of any affiliated group (within the meaning of Section 1504 of the Code or any similar applicable provision of state, local or foreign law) (or being included (or required to be included) in any Tax Return relating thereto).

"Taxing Authority" means any Governmental Entity that is authorized by law to assess, levy and collect taxes.

"Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Transaction Documents" means this Agreement, including all schedules and exhibits, the Bill of Sale, the Assignment and Assumption Agreement, and the Promissory Note.

"Transactions" means the transactions contemplated by the Transaction Documents.

IN WITNESS WHEREOF, each of the parties hereto has caused this Asset Purchase Agreement to be executed by its duly authorized officers as of the Effective Date.

Signature Page Follows

BUYER:

SALINAS DIVERSIFIED VENTURES, INC.
A California corporation and wholly owned subsidiary of
MARIJUANA COMPANY OF
AMERICA, INC., a Utah corporation

By: /s/ Jesus M. Quintero

Name: Jesus M. Quintero
Title: Principal Executive Officer

VBF BRANDS, INC.
A California corporation and wholly owned subsidiary of
SUNSET ISLAND GROUP, INC., a Colorado corporation.

By: /s/ Lori Livacich
Name: Lori Livacich
Title: Principal Executive Officer

LORI LIVACICH

By: /s/ Lori Livacich
Lori Livacich

ST. GEORGE INVESTMENTS, LLC

By: _____
Name: John Fife
Title: Manager

EXHIBIT 10.2

COOPERATION AGREEMENT

dated as of

October 6, 2021

by and between

SALINAS DIVERSIFIED VENTURES, INC.,
a California Corporation, and Wholly Owned Subsidiary of
MARIJUANA COMPANY OF AMERICA, INC., a Utah Corporation

and

VBF BRANDS, INC., a California Corporation, a Wholly Owned Subsidiary of SUNSET ISLAND GROUP, INC., a Colorado Corporation.

and

LORI LIVACICH, Individually, and as an Affiliate of VBF BRANDS, INC., SUNSET ISLAND GLOBAL, INC.

This Cooperation Agreement (this "Agreement"), effective as of October 6, 2021 (the "Effective Date"), is by and among Salinas Diversified Ventures, Inc., a California corporation ("Salinas"), and wholly owned subsidiary of Marijuana Company of America, Inc., a Utah corporation ("MCOA"), VBF Brands, Inc., a California corporation ("VBF"), and wholly owned subsidiary of Sunset Island Group, Inc., a Colorado corporation ("SIGO), and Lori Livacich ("Livacich") individually, and as Affiliate and Control Person of VBF and SIGO. Each of VBF, SIGO, Livacich, Salinas, and MCOA may be collectively referred to as the "Parties." Nothing herein shall alter any rights or obligations of any Party under the Asset Purchase Agreement or the Management Services Agreement (referenced below).

RECITALS

WHEREAS, VBF is an owner operator of leased real property located at 20420 Spence Road, Salinas, California, 93908 ("Facility"). A copy of the lease is attached hereto and incorporated herein by reference as Exhibit A. Livacich is the majority stockholder, principal, Affiliate, and control person of SIGO and VBF, with sole power to Control and direct VBF's operations at the Facility. VBF is a Licensee under cannabis licenses and regulatory permits issued by the City of Salinas, County of Monterey, and the State of California ("Licensing Authorities") authorizing the cultivation, nursery growth, distribution, and manufacturing of cannabis. Additionally, VBF also possesses a weighmaster's license, provisional business license, tax permit and permits allowing it to operate at the Facility. All licenses and permits are in full force and effect as of the date hereof (collectively, the "Permits and Licenses)." The Licenses and Permits are attached hereto and incorporated herein by reference as Exhibit B.

WHEREAS, on October 6, 2021, VBF, MCOA, Salinas and St. George Investments, LLC, a Utah limited liability company, entered into an Asset Purchase Agreement ("APA") ("Exhibit C"). The APA provides for VBF's sale and Salinas' purchase of 100% of VBF's issued and outstanding common stock, and the concurrent application of VBF and Salinas to the Licensing Authorities for the change of ownership over VBF's Permits and Licenses resulting in Salinas becoming the owner operator of the Permits and Licenses. The APA also provides for VBF's sale and Salinas' purchase of all of VBF's fixed assets including VBF's machinery and equipment, leasehold improvements, good-will, inventory, current workforce in place, tradenames, trade secrets, intellectual property, and other tangible and intangible properties concerning the operation of VBF's California licensed cannabis nursery, cultivation facility, and operations for the manufacturing and distribution of cannabis and cannabis products, and the related properties, rights, and assets concerning VBF's Business.

WHEREAS, as a material inducement to enter into the APA, VBF, SIGO, Livacich, MCOA and Salinas entered into a Management Services Agreement ("MSA") (Exhibit D).

1. The MSA generally provided for Salinas to manage VBF's facility and business operations with the continuing and material support of Livacich, who Salinas agreed to retain as a management consultant to the continuing operation (Executive Employment Contract "Exhibit E").
2. As additional consideration, MCOA agreed to assume certain outstanding promissory notes issued by SIGO to St. George Investments, LLC, a Utah limited liability company, that are currently in default, and the cancellation of warrants issued by SIGO to St. George in connection therewith, and the return to treasury of fifty (50) shares of Series A Preferred Stock of VBF (the "Preferred Shares", and together with the SIGO Notes, the "SIGO Securities" - "Exhibit F").
3. The transactions between the Parties comprised by the APA, the MSA and the Executive Employment Contract were further agreed to be conditioned upon VBF and Livacich continuing to meet certain production and revenue projections at the Facility ("Exhibit G"). The above recitals are qualified completely by the terms and conditions of each of the APA, MSA and Executive Employment Agreement attached hereto and incorporated herein by reference.

NOW, THEREFORE, in consideration of the above recitals, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the Parties covenant and agree as follows:

1. Incorporation of Recitals.

The above Recitals and cited Exhibits are incorporated herein by reference and are a material part of this Agreement. The Parties hereto waive any rule of construction that would prevent any court of competent jurisdiction or arbitrator from construing or interpreting this Agreement based upon the content of the Recitals.

2. Obligations of Livacich Under the APA, MSA and this Agreement.

a. After the execution of this Agreement and the APA and MSA, Livacich agrees to diligently pursue and cooperate fully in filing the change of ownership applications of the Licenses with the Licensing Authorities in favor of Salinas, and comply with all terms and conditions of the APA and MSA; including, without limitation:

- Maintain in good order of the Licenses with the Licensing Authorities, including making provision for any fees payable associated therewith;

- Cooperate with Salinas to arrange for the change of ownership applications of the Licenses and assisting Salinas in the application process for the issuance of new licenses in its name; and,

- Provide material good faith support to Salinas' application for change of ownership over the Licenses, including providing in a complete and timely fashion any and all documents, business records, permits and licenses necessary to complete Salinas' applications for change of ownership over the licenses.

- Comply with all Applicable Laws (as hereinafter defined) in the performance of Livacich's obligations under this Agreement, the MSA and the APA. "Applicable Laws" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any governmental authority, including, without limitation, the California Compassionate Use Act, the California Medical Cannabis Regulation and Safety Act, the Adult Use of Marijuana Act, SB 94 and the Medicinal and Adult Use Cannabis Regulation and Safety Act, and any additional, amended, supplemental or replacement laws or regulations promulgated or enacted by the State of California or the City of Salinas pertaining to cannabis cultivation, dispensing, sale, storage, manufacturing, distribution, transportation, testing or other commercial cannabis activities within its jurisdiction; provided, however, that the term "Applicable Laws" shall not include any federal statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, or other requirement or rule of law that prohibits any commercial cannabis activity that is permitted under California law, unless and until the time the federal government legalizes and regulates cannabis.

- Diligently comply with all terms and conditions of the MSA.

3. Further Assurances and Cooperation: Livacich agrees to cooperate in good faith in performing any further acts, and executing and delivering any documents, which may be reasonably necessary to carry out the conditions precedent and intent of this Agreement, the MSA and the APA.

4. Obligations of Salinas and MCOA under the APA, MSA and this Agreement.

a. As consideration for this Agreement, MCOA agrees to assume 100% of the following notes issued by SIGO, in favor of St. George Investments, LLC, including: (i) that certain Secured Convertible Promissory Note dated December 8, 2017 in the original principal amount of $170,000.00; (ii) that certain Secured Convertible Promissory Note dated February 13, 2018 in the original principal amount of $4,245,000.00, conditioned upon:

- Livacich complying with the MSA and achieving "Net Revenues" after the closing of the APA and related transaction documents, one million dollars ($1,000,000) from Salinas' operations during the six-month period after closing of the APA, and her compliance with the terms and conditions of this Agreement, the Management Services Agreement and the Executive Employment Agreement included as Exhibits A and B to this Agreement. For the purposes of this Agreement, the term "Net Revenue" shall mean gross revenue less returns and allowances equal to $500,000 each quarter for first year.

5. Indemnification.

a. If a Party receives any notice from the Licensing Authorities regarding the Party's actual or potential violation of law relating to the Licenses or Operations at the Facility ("Notice of Breach"), the Party shall immediately: (i) provide the other Party with written notice of the Notice of Breach; (ii) each Party shall use commercially reasonable best efforts to cure the breach(es) set forth in the Notice of Breach; and (iii) use commercially reasonable best efforts to ensure that the MSA and Licenses otherwise remains in full force and effect, and are not terminated, with respect to the activities thereunder, it being agreed and understood that such reasonable best efforts shall include, without limitation, taking the following actions to help facilitate the continuation of the operations: filing or submitting any documentation to the Licensing Authorities, corresponding with the Licensing Authorities, and attending any meetings with the Licensing Authorities.

b. Each Party agrees and acknowledges that it shall not terminate or threaten to terminate the Licenses, without the written consent of the other Party.

c. Indemnity of Salinas and MCOA. VBF and SIGO hereby indemnifies and holds Salinas and MCOA (along with its directors, officers, employees, agents, and shareholders) harmless from any liability, cost or expense (including reasonable attorneys' fees) arising out of any claim asserted by a third party against MCOA or Salinas which claim is based on a breach by VBF, SIGO or Livacich of their obligations hereunder and/or the gross negligence or intentionally wrongful acts or omissions of VBF, SIGO or Livacich in the performance of their obligations and responsibilities under this Agreement, including, without limitation: (i) VBF, SIGO and Livacich's use the Licensed Premises prior to the execution of this Agreement, or of VBF, SIGO and Livacich's use of the equipment at the Licensed Premises prior to the execution of this Agreement; and, (ii) events or circumstances that transpired between VBF, SIGO and/or Livacich and thirdparties prior to the execution of this Agreement. If Salinas seeks indemnification from VBF, SIGO or Livacich, it shall give VBF, SIGO and/or Livacich notice of such claim, and VBF, SIGO or Livacich shall defend and settle such claim at their sole expense, provided that Salinas and MCOA shall cooperate in such defense, and further provided that Salinas and MCOA may elect to engage counsel to participate in such defense at its own expense.

d. Indemnity of VBF, SIGO and Livacich. Salinas and MCOA hereby indemnifies and holds VBF, SIGO and Livacich (along with its directors, officers, employees, agents, and shareholders) harmless from any liability, cost or expense (including reasonable attorneys' fees) or any suit, action, liability, proceeding, or governmental investigation, pending or threatened, whether based on statute, regulation or order, tort, contract or otherwise, before any court or governmental authority, arising out of any claim asserted by a third party against VBF, SIGO and Livacich which claim is based on or arising from (i) a breach of any representation, warranty or covenant set forth in this Agreement; (ii) a breach by MCOA or Salinas of their respective obligations hereunder and in the performance of their respective obligations and responsibilities under this Agreement; or, (iii) gross negligence or intentionally wrongful acts of MCOA or Salinas. If VBF, SIGO or Livacich seeks indemnification from Salinas/MCOA, it shall give Salinas/MCOA notice of such claim, and Salinas and MCOA shall defend and settle such claim at its sole expense, provided that VBF, SIGO and Livacich shall cooperate in such defense, and further provided that VBF, SIGO and Livacich may elect to engage counsel to participate in such defense at their own expense.

e. With the exception of Livacich, the obligations of any other Party pursuant to this Agreement shall not constitute personal obligations of such Party's Representatives, and the other Party shall look solely to such Party and to no other Person for the satisfaction of any liability with respect to this Agreement. The limitations of liability set forth in this Section 5 are in addition to, and not in lieu of, any other limitations of liability or indemnification obligations set forth elsewhere in this Agreement, in the APA, or in other contracts, agreements, instruments, or other documents.

6. Additional Representations and Warranties: In addition to all other representation, warranties and covenants set forth in this Agreement, each Party represents to the other Party that: (i) it is duly organized, or incorporated validly existing and in good standing under the laws of the jurisdiction of its formation and is duly qualified and licensed in each jurisdiction where its activities require such qualification or license; (ii) it has full power, capacity, and authority to enter into this Agreement; (iii) this Agreement constitutes a legal, binding and valid obligation of each Party, enforceable against each Party in accordance with the terms set forth within this Agreement; (iv) the execution, performance and delivery of this Agreement will not constitute any breach or default under any provision of any of its governance documents, contracts, agreements, mortgages, trusts or other documents, or any order, rule, regulation or law of any jurisdiction that binds it; and (v) it shall comply with all Applicable Laws.

7. Dispute Resolution.

a. This Agreement shall be governed and construed in accordance with the internal laws of the State of California without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of California.

b. In the event of any Claim arising out of or relating to any performance required under this Agreement, or the interpretation, validity, or enforceability hereof, the Parties hereto shall use their best efforts to settle the Claim. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable resolution satisfactory to the Parties. If the Claim cannot be settled through negotiation within a period of seven (7) days, the Parties agree to attempt in good faith to settle the Claim through mediation, administered by a mediator mutually agreeable to the Parties, before resorting to arbitration. If they do not reach such resolution, or an agreed upon mediator cannot be identified, within a period of thirty (30) days, then, upon notice by either party to the other they shall commence arbitration as set forth below.

c. The Parties agree to submit any and all Claims, or any dispute related in any way to this Agreement and the services rendered hereunder, to binding arbitration before JAMS. The arbitration shall be held in accordance with the JAMS then-current Streamlined Arbitration Rules & Procedures (and no other JAMS rules), which currently are available at: http://www.jamsadr.com/rules-streamlined-arbitration. The arbitrator shall be either a retired judge, or an attorney who is experienced in commercial contracts and licensed to practice law in California, selected pursuant to the JAMS rules. The Parties expressly agree that any arbitration shall be conducted in the Los Angeles County, California. Each party understands and agrees that by signing this Agreement, such party is waiving the right to a jury. The arbitrator shall apply California substantive law in the adjudication of all Claims. Notwithstanding the foregoing, either party may apply to the Superior Courts located in Los Angeles County, California for a provisional remedy, including but not limited to a temporary restraining order or a preliminary injunction. The application for or enforcement of any provisional remedy by a party shall not operate as a waiver of the Agreement to submit a dispute to binding arbitration pursuant to this provision. In no event shall a Claim be adjudicated in Federal District Court. In the event that either party commences a Claim in Federal District Court or moves to remove such action to Federal District Court, the Parties hereby mutually agree to stipulate to a dismissal of such Federal Claim with prejudice. After a demand for arbitration has been filed and served, the Parties may engage in reasonable discovery in the form of requests for documents, interrogatories, requests for admission, and depositions. The arbitrator shall resolve any disputes concerning discovery. The arbitrator shall award costs and reasonable attorneys' fees to the prevailing party, as determined by the arbitrator, to the extent permitted by California law. The arbitrator's decision shall be final and binding upon the Parties. The arbitrator's decision shall include the arbitrator's findings of fact and conclusions of law and shall be issued in writing within thirty (30) days of the commencement of the arbitration proceedings. The prevailing party may submit the arbitrator's decision to Superior Courts located in Los Angeles County for an entry of judgment thereon.

8. Confidential Information. Each Party agrees that it shall treat in confidence all documents, materials and other information that it obtains regarding the other Party (including its shareholders, members, partners, owners, beneficial owners, directors, officers, managers and agents) during the course of (a) the negotiations leading to the execution of, and consummation of the transactions contemplated in, this Agreement or (b) the investigation provided for in, and the preparation of, this Agreement and other related documents ("Confidential Information"). Confidential Information shall not be communicated to any third party (other than the Parties' respective counsel, accountants, financial advisors, lenders, or other agents or representatives, each of whom also should be bound to confidentiality by agreement with the retaining Party). No Party shall use any Confidential Information in any manner whatsoever except solely for purposes related to the transaction contemplated by this Agreement. The obligation of each Party to treat Confidential Information in confidence shall not apply to any Confidential Information that

(a) is or becomes available to the Party, other than in violation of a confidentiality obligation to the other Party, from a source other than that Party or its counsel, accountants, financial advisors, or other agents or representatives; (b) is or becomes available to the public other than as a result of disclosure by that Party or its counsel, accountants, financial advisors, or other agents or representatives; (c) is required to be disclosed by the Party under applicable law or judicial process, but only to the extent it must be so disclosed; or (d) as to which the Party reasonably deems disclosure necessary after consultation with the other Party to obtain any of the consents or approvals contemplated by this Agreement.

9. Governing Law: This Agreement shall be governed by and construed in accord with the laws of the State of California without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of California.

10. Amendments: This Agreement may not be amended or modified orally and may only be amended or modified in a writing signed by each Party affected by the amendment or modification.

11. Severability: If any provision in this Agreement is invalid, illegal, or unenforceable, then the validity, legality and enforceability of the remaining provisions hereof will not in any way be affected or impaired thereby and only the invalid, illegal or unenforceable provisions shall be null and void.

12. No Assignment: No Party hereto may assign their respective duties hereunder without the express written consent of the other Party.

13. Binding Effect: This Agreement binds and inures to the benefit of the Parties, their assigns, representatives, beneficiaries, and successors, and each of them.

14. Waiver: No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise of that right or the exercise of any other right.

15. Counterparts: This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. This Agreement may also be executed and delivered by facsimile signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have carefully read this Agreement, understand, and agree to all its provisions, and intending to be legally bound, have signed this Agreement as their own free act, being fully aware of its final and binding effect.

VBF BRANDS, INC.
a California corporation

By: _____

Lori Livacich
President, Chief Executive Officer

SUNSET ISLAND GROUP, INC. a Colorado corporation

By: _____
Lori Livacich
President, Chief Executive Officer

SALINAS DIVERSIFIED VENTURES, INC.
a California corporation

By: _____
Jesus M. Quintero
President, Chief Executive Officer

MARIJUANA COMPANY OF AMERICA, INC.
a Utah corporation

By: /s/*Jesus Quintero*
Jesus M. Quintero
President, Chief Executive Officer

LORI LIVACICH
An Individual

By: */s/ Lori Livacich*
Lori Livacich

EXHIBIT 10.3

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT ("Agreement") is entered into and effective as of, October 6, 2021 (the "Effective Date"), by and between Salinas Diversified Ventures, Inc., a California corporation (the "Company"), 633 5th Avenue, Ste. 2826, Los Angeles, CA 90071, and Lori Livacich, an individual residing at 20420 Spence Road, Salinas, CA 93908 ("Executive"), with reference to the following facts:

RECITALS

A. The Company desires to obtain the association and services of Executive as Chief Executive Officer and is willing to engage her services on the terms and conditions set forth below.

B. Executive desires to enter into this Agreement with the Company for a specific period of time and is willing to do so under the following terms and conditions.

C. Executive and Company enter into this Agreement as a material condition and inducement to the Company's Asset Purchase Agreement ("APA"), Management Services Agreement ("MSA") and Cooperation Agreement between it and the Company, Marijuana Company of America, Inc., Executive, Sunset Island Group, Inc., VBF Brands, Inc. (copies of the APA, MSA and Cooperation Agreement are appended hereto and made a material part hereof.

AGREEMENT

In consideration of the forgoing recitals and of the mutual promises and conditions set forth herein, the parties hereto agree as follows:

1. **Employment**. The Company hereby agrees to employ Executive as Chief Executive Officer, and Executive agrees to accept employment upon the terms and conditions set forth herein. Executive shall report to and have such duties and responsibilities as may be delegated or assigned from time to time by Mr. Jesus Quintero, or in his absence, the Board of Directors of Salinas Diversified Ventures, Inc. Executive agrees to faithfully devote her time, energy, and abilities to the proper and efficient discharge of her duties.

2. **Term**. Subject to the termination provisions in Section 5 hereof, the term of Executive's employment shall be for a 24-month period, commencing as of the Effective Date and, subject to Section 5, ending October 6, 2023, (the "Term").

3. **Compensation**.

3.1 **Signing Bonus**. as a signing bonus, Company will pay Executive $250,000.

3.2 **Salary.** For all services as Chief Executive Officer that Executive renders to the Company during the Term of this Agreement, Executive will be compensated with a monthly payment of $20,000; twenty percent (20%) of "Net Revenues" above $2 million quarterly from operations at the Salinas facility, beginning upon the closure of the APA and the Effective Date of this Agreement; and, a $250,000 performance bonus, payable after six months after the Effective Date, conditioned upon Executive meeting the agreed to "Net Revenue" target of one million dollars ($1,000,000) from Salinas' operations during the six month period after closing of the APA, and her compliance with the terms and conditions of this Agreement, the Management Services Agreement and the Cooperation Agreement included as Exhibits A and B to this Agreement. For the purposes of this Agreement, the term "Net Revenue" shall mean gross revenue less returns and allowances equal to $500,000 each quarter for first year.

3.3 **Expenses**. During the Term of this Agreement, the Company shall reimburse Executive for reasonable and authenticated out-of-pocket expenses incurred in connection with performance of Executive's duties hereunder, including (without limitation) travel expenses, food and lodging while away from home, and entertainment, subject to such policies as the Company may from time to time reasonably establish for its employees. Executive shall provide the Company with any and all documentation necessary to account for such expenses. Any "Extraordinary Expenses" reasonably expected to exceed $3,000 must be pre-approved by the Company. For the purposes of this Agreement, the term "Extraordinary Expenses" means those costs not related to the commercially reasonable and customary fixed monthly expenses otherwise agreed upon in consultation with the Company for the Company's operations.

3.4 **Other Benefits**. Subject to the discretion of the Company, upon Executive meeting the performance goals and other terms and conditions referenced in Section 3.2, the Company may issue options to Executive and/or to Executive's management team, including key employees to purchase equity in the Company on a cash or cashless basis.

4. **Proprietary Information**. Executive acknowledges that Executive currently has knowledge, and during the term of this Agreement will gain further knowledge, of information not generally known about the Company and which gives the Company an advantage over its competitors, including (without limitation) information of a technical nature, such as "know how," formulae, secret processes or machines, computer programs, inventions and research projects, and information of a business nature, such as information about costs, profits, markets, sales, Company finances, employees, lists of customers and other information of a similar nature to the extent not available to the public, and plans for future developments (collectively, "Confidential Information"). Executive agrees to keep secret all such Confidential Information of the Company, including information received in confidence by the Company from others, and agrees not to disclose any such Confidential Information to anyone outside the Company except as required in the course of her duties, either during or after her employment.

5. **Termination of Employment**. This Agreement is terminable prior to the expiration of the Term in the manner and to the extent set forth in this Section 5, and not otherwise.

5.1 **Termination for Cause**. The Company may terminate this Agreement at any time without further delay for Executive's willful misconduct including, but not limited to, fraud, breach of fiduciary duty, dishonesty, willful breach or habitual neglect of duties, theft, criminal conviction, disclosure of Confidential Information, and engagement in any activity materially adverse to the Company during the Term of this Agreement. In the event that Executive fails to satisfy the conditions of employment as determined by the Company, the Cooperation Agreement and the Management Services Agreement, her employment shall terminate upon notice to Executive and this Agreement shall terminate with no further obligation for compensation by the Company.

5.2 **Failure to Achieve Net Revenue Target.** This Agreement terminates if Executive fails to meet Net Revenue target of $1 million dollars within six months.

5.3 **Effect of Termination**. If not terminated for Cause, the Company agrees to pay Executive her pro-rated annual salary from the date of termination.

5.4 **Cooperation**. The parties agree that certain matters in which the Executive will be involved during the Term may necessitate the Executive's cooperation in the future. Accordingly, following the termination of the Executive's employment for any reason, to the extent reasonably requested by the Company, the Executive shall cooperate with the Company in connection with matters arising out of the Executive's service to the Company; provided that, the Company shall make reasonable efforts to minimize disruption of the Executive's other activities. The Company shall reimburse the Executive for reasonable expenses incurred in connection with such cooperation and, to the extent that the Executive is required to spend substantial time on such matters, the Company shall compensate the Executive at an hourly rate based on the Executive's Base Salary on the Termination Date.

5.5 **Exit Obligations**. Upon termination of the Executive's employment, the Executive shall (i) provide or return to the Company any and all Company property, including keys, key cards, access cards, identification cards, security devices, employer credit cards, network access devices, computers, cell phones, smartphones, PDAs, pagers, fax machines, equipment, speakers, webcams, manuals, reports, files, books, compilations, work product, e-mail messages, recordings, tapes, disks, thumb drives or other removable information storage devices, hard drives, negatives and data and all Company documents and materials belonging to the Company and stored in any fashion, including but not limited to those that constitute or contain any Confidential Information, that are in the possession or control of the Executive, whether they were provided to the Executive by the Company or any of its business associates or created by the Executive in connection with her employment by the Company; and (ii) delete or destroy all copies of any such documents and materials not returned to the Company that remain in the Executive's possession or control, including those stored on any non-Company devices, networks, storage locations, and media in the Executive's possession or control.

5.6 **Specific Enforcement**. Executive is obligated under the Agreement to render service of a special, unique, unusual, extraordinary, and intellectual character, thereby giving this Agreement peculiar value, so that the loss thereof cannot be reasonably or adequately compensated in damages in an action at law. Therefore, in addition to other remedies provided by law, the Company shall have the right during the Term to compel specific performance hereof by Executive and/or obtain injunctive relief against the performance of services elsewhere by Executive, without the posting of any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages, or other available forms of relief. In the event the Company seeks and obtains legal and/or equitable relief under this Section, the Company shall recover its attorney fees and costs from Executive.

6.0 **Governing Law & Dispute Resolution**. This Agreement, for all purposes, shall be construed in accordance with the laws of California without regard to conflicts of law principles. Any action or proceeding by either of the parties to enforce this Agreement shall be brought only in a state or federal court located in the state of California county of San Diego. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

7.0 **Attorney Fees**. The prevailing party in any legal action to enforce or construe this Agreement shall recover its reasonable attorney fees as an element of costs.

8.0 **Tax Consequences**. The Company shall have no obligation to Executive with respect to any tax obligations incurred as the result of or attributable to this Agreement or arising from any payments made or to be made hereunder. Any distributions made pursuant to this Agreement shall be subject to such withholding and reports as may be required by any then-applicable laws or regulations of any state or federal taxing authority.

9.0 **Indemnification**. In the event that the Executive is made a party or threatened to be made a party to any action, suit, or proceeding, whether civil, criminal, administrative, or investigative (a "Proceeding"), other than any Proceeding initiated by the Executive or the Company related to any contest or dispute between the Executive and the Company or any of its affiliates with respect to this Agreement, the Management Services Agreement, the Cooperation Agreement or the Executive's employment hereunder, by reason of the fact that the Executive is or was an officer of the Company, or any affiliate of the Company, or is or was serving at the request of the Company as a director, officer, member, employee, or agent of another corporation or a partnership, joint venture, trust, or other enterprise, the Executive shall be indemnified and held harmless by the Company to the fullest extent applicable to any other officer or director of the Company to the maximum extent permitted under applicable law and the Company's bylaws from and against any liabilities, costs, claims, and expenses, including all costs and expenses incurred in defense of any Proceeding (including attorneys' fees). Costs and expenses incurred by the Executive in defense of such Proceeding (including attorneys' fees) shall be paid by the Company in advance of the final disposition of such litigation upon receipt by the Company of: (i) a written request for payment; (ii) appropriate documentation evidencing the incurrence, amount, and nature of the costs and expenses for which payment is being sought; and (iii) an undertaking adequate under applicable law made by or on behalf of the Executive to repay the amounts so paid if it shall ultimately be determined that the Executive is not entitled to be indemnified by the Company under this Agreement.

10.0 **Waiver**. The failure to enforce any provision of this Agreement shall not be construed as a waiver of any such provision, nor prevent a party thereafter from enforcing the provision or any other provision of this Agreement. The rights granted the parties are cumulative, and the election of one shall not constitute a waiver of such party's right to assert all other legal and equitable remedies available under the circumstances.

11.0 **Notices**. Any notice to be given to the Company under the terms of this Agreement shall be addressed to the Company, to the attention of the Board of Directors, at the address of its executive office set forth above, and any notice to be given to Executive shall be addressed to her at the residence address set forth above, or such other address as Company and/or Executive may hereafter designate in writing to the other. Any notice shall be deemed duly given when personally delivered or five (5) days after deposit in U.S. mail by registered or certified mail, postage prepaid. The date of deposit, as evidenced by the receipt for certified mail, shall be conclusive proof of the delivery date.

12.0 **Severability**. The provisions of this Agreement are severable, and if any provision of this Agreement shall be held to be invalid or otherwise unenforceable, in whole or in part, the remainder of the provisions or enforceable parts thereof, shall not be affected thereby.

13.0 **Assignment**. Neither Executive nor the Company may assign this Agreement without the prior written consent of the other; provided that this Agreement may be assigned to any successor to the Company's business without Executive's consent. The rights and obligations of the Company under this Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company, and Executive's rights under this Agreement shall inure to the benefit of and be binding upon her heirs and executors.

14.0 **Modification and Waiver**. No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Executive and by The Board of Directors of the Company.

EXECUTIVE:

/s/ Lori Livacich
LORI LIVACICH

SALINAS DIVERSIFIED VENTURES, INC.

/s/ Jesus Quintero
JESUS QUINTERO
CHIEF EXECUTIVE OFFICER

Exhibit 10.4

MANAGEMENT SERVICES AGREEMENT

dated as of

October 6, 2021

by and between

SALINAS DIVERSIFIED VENTURES, INC.,
a California Corporation, a Wholly Owned Subsidiary of
MARIJUANA COMPANY OF AMERICA, INC., a Utah Corporation

and

VBF BRANDS, INC., a California Corporation, a Wholly Owned Subsidiary of SUNSET ISLAND GROUP, INC., a Colorado Corporation.

and

LORI LIVACICH, Individually, and as an Affiliate of VBF BRANDS, INC., and SUNSET ISLAND GLOBAL, INC.

This Management Services Agreement ("Agreement") is made as of October 6, 2021 ("Effective Date"), by and among Salinas Diversified Ventures, Inc., a California corporation ("Salinas"), a wholly owned subsidiary of Marijuana Company of America, Inc., a Utah corporation ("MCOA") and VBF Brands, Inc., a California corporation ("VBF") and wholly owned subsidiary of Sunset Island Group, Inc. ("SIGO"), and Lori Livacich ("Livacich") individually, and in her role as Affiliate and control person of VBF and SIGO. Each of VBF, SIGO, Salinas, MCOA and Livacich may be referred to herein as a "Party" and together as the "Parties."

WHEREAS, VBF is an owner operator of leased real property located at 20420 Spence Road, Salinas, California, 93908 ("Facility"). A copy of the lease is attached hereto and incorporated herein by reference as Exhibit A). Livacich is the majority stockholder, principal, Affiliate, and control person of VBF, with sole power to Control and direct its operations at the Facility. VBF is a Licensee under cannabis licenses and regulatory permits issued by the City of Salinas, County of Monterey, and the State of California ("Licensing Authorities") authorizing the cultivation, nursery growth, distribution, and manufacturing of cannabis. Additionally, VBF also possesses a weighmaster's license, provisional business license, tax permit and permits allowing it to operate at the Facility. All licenses and permits are in full force and effect as of the date hereof (collectively, the "Permits and Licenses)." The Licenses and Permits are attached hereto and incorporated herein by reference as Exhibit B.

WHEREAS, the Parties entered into an Asset Purchase Agreement ("APA") on October 6, 2021, of which this Agreement is made a material part thereof (Schedule 1.1(a) to the APA, the Assumed Contracts). The APA provides for VBF's sale and Salinas' purchase of 100% of VBF's common stock, and the concurrent application of VBF and Salinas to the Licensing Authorities for the change of ownership over the Permits and Licenses resulting in Salinas becoming the owner operator of the Permits and Licenses. The APA also provides for VBF's sale and Salinas' purchase of all of VBF's fixed assets including VBF's machinery and equipment, leasehold improvements, good-will, inventory, tradenames, trade secrets, intellectual property, and other tangible and intangible properties concerning the operation of VBF's California licensed cannabis nursery, cultivation facility, and operations for the manufacturing and distribution of cannabis and cannabis products, and the related properties, rights, and assets concerning VBF's Business. The APA is attached hereto and incorporated herein by reference as Exhibit C.

WHEREAS, on October 6, 2021, Salinas and Livacich and VBF also entered into a Cooperation Agreement obligating Livacich and VBF to provide material support for Salinas' operation of the Facility, including, without limitation, maintaining and continuing current expert staffing and support personnel at the Facility; providing material support and cooperation in VBF and Salinas' application for change of ownership over the Permits and Licenses to the Licensing Authorities; maintaining and continuing all material support from third party vendors, who provided services and products to Livacich and VBF for the operation of the Facility for the benefit of Salinas; and, VBF and Livacich's maintaining and continuing their best efforts to Salinas to meet projected production levels at the Facility, including revenue and profits for the benefit of Salinas. The Cooperation Agreement is attached hereto and incorporated herein by reference as Exhibit D.

WHEREAS, concurrently with the consummation of the APA and the Cooperation Agreement by the Parties, which are a material part hereof, and as valuable consideration for the APA and Cooperation Agreement, VBF and Livacich desires that Salinas provide certain administrative and management services to VBF; and,

WHEREAS, subject to the terms and conditions of this Agreement, Salinas is willing to provide such services to VBF, with the full and continuing support and cooperation of Livacich as is more particularly described in the Cooperation Agreement ("Services") and agrees that Salinas shall undertake the management of VBF's business at the Facility in connection with Permits and Licenses ("Business"), upon the terms and conditions set forth in this Agreement, the APA and the Cooperation Agreement.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants, and agreements herein contained, and intending to be legally bound, the Parties agree as follows:

1. DEFINITIONS.

a. "**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 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.

b. "**Agreement**" shall have the meaning set forth in the recitals of this Agreement.

c. "**Applicable Law**" means any and all applicable local, state, and federal laws, rules and regulations. Notwithstanding anything to the contrary contained herein, the parties acknowledge that, at the time of the execution of this Agreement, the terms of this Agreement may not comply with the CSA. The parties acknowledge that a violation of the CSA shall not be deemed to violate Applicable Law as used herein.

d. "**BCC**" means the California Bureau of Cannabis Control.

e. "**CDPH**" means the California Department of Public Health.

f. **"CDTFA"** means the California Department of Tax and Fee Administration.

g. "**Claims**" means any claim, demand, dispute, controversy, or cause of action.

h. **"Commercial Cannabis Activity"** shall mean commercial cannabis distribution and manufacturing operations.

i. "**CSA**" means 21 U.S.C. § 811, et seq., short titled the Controlled Substance Act and its implementing regulations.

j. "**CPA**" shall mean a certified public accountant.

k. "**Distribution Premises**" means the real property where VBF is licensed to conduct commercial cannabis distribution activities.

l. "**Effective Date**" shall have the meaning set forth in the recitals of this Agreement.

m. "**Gross Revenue**" means the gross amount of monies, income, consideration and/or other compensation actually received by VBF in connection with VBF's Commercial Cannabis Activity.

n. "**HR**" means human resources.

o. "**IT**" means information technology.

p. "**License**" or "**Licenses**" means: (i) any and all approvals, permits and/or licenses required by local municipal law to engage in the Commercial Cannabis Activity; and (ii) a license to engage in the Commercial Cannabis Activity granted by the applicable California licensing authority. The Licenses are attached hereto as Exhibit B.

q. "**Licensed Premises**" shall mean collectively, the Manufacturing Premises and the Distribution Premises.

r. "**Local Tax**" means any and all local Salinas taxes for which payment is required based on VBF's general business activities and the Commercial Cannabis Activity.

s. "**Losses**" means losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.

t. "**Management Fee**" shall mean one hundred percent (100%) of the Net Profits of VBF per month.

u. "**Manufacturing License**" means VBF's city and state commercial cannabis manufacturing license attached hereto as Exhibit B.

v. "**Manufacturing Premises**" means the real property where VBF is licensed to conduct commercial cannabis manufacturing activities.

w. "**Net Profits**" means Gross Revenue less all costs, obligations, liabilities expenditures incurred during the Term. Such expenditures shall include, but shall not be limited to, rent, utilities, license fees, product taxes (whether federal, state, or local), input costs, testing costs, manufacturing costs, packaging costs, sales costs, administrative costs, personnel costs, and any travel-related costs incurred.

x. "**Operational Expense**" shall mean any expense required for the general operation of VBF in connection with VBF's performance of the Commercial Cannabis Activity at the Licensed Premises.

y. "**Party**" or "**Parties**" shall have the meaning set forth in the recitals of this Agreement.

z. "**Person**" means an individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association, or other entity.

aa. "**Renewal Term**" shall have the meaning set forth in Section 6(b).

bb. "**Representatives**" means a Party's and its Affiliates' shareholders, members, managers, employees, officers, directors, consultants, and legal advisors.

cc. "**Source Material Expense**" shall mean any costs related to all raw ingredients, including cannabis and non-cannabis ingredients, packaging and labeling, and any other materials required to be used in the Commercial Cannabis Activity.

dd. "**Services**" shall have the meaning set forth in Section 2 of this Agreement.

ee. "**State Excise Tax**" means: the tax set forth in California *Revenue and Taxation Code* § 34011. It is acknowledged that, as of the Effective Date, the State excise tax is fifteen percent (15%) of the one hundred sixty percent (180%) of the wholesale price that a licensed cannabis retailer acquires the cannabis and/or cannabis product from a distributor, in an arms-length transaction.

ff. "**State Regulatory Authorities**" means the BCC and the CDPH.

gg. "**Term**" shall have the meaning set forth in Section 6(a) of this Agreement.

hh. "**Confidential Information**" means any and all information relating to either Party, including information about either Party's business operations, strategies, goods and services, customers, pricing, marketing, and other information or documents that may reasonably be deemed to be sensitive, confidential or proprietary, disclosed to and/or obtained by one Party to the other in connection with this Agreement, whether orally, in writing, or in other recorded form, and regardless of whether such information is expressly stated to be confidential or marked as such. For purposes of clarity, Confidential Information shall not include information that, at the time of disclosure: (i) is or becomes generally available to and known by the public other than as a result of, directly or indirectly, any breach of a Party; (ii) is or becomes available to a Party on a nonconfidential basis from another Person, provided that such Person is not and was not prohibited from disclosing such Confidential Information; (iii) was known by or in the possession of a Party prior to being disclosed by or on behalf of the other Party; or (iv) is required to be disclosed by Applicable Law, including pursuant to the terms of a court order; provided that the disclosing Party has given the other Party prior written notice of such disclosure and an opportunity to contest such disclosure and to seek a protective order or other remedy.

2. MANAGEMENT AND ADMINISTRATIVE SERVICES

a. Services. Upon the terms and subject to the conditions contained herein, VBF and Livacich engage Salinas to provide certain management and administrative services in connection with the day-to-day administration of VBF's business (the "**Services**") at the Facility. The Services may include, without limitation, the following services:

i. Management of Operations. With the commercially reasonable efforts and continuing cooperation of Livacich, which is material valuable consideration to this Agreement, the Cooperation Agreement and the APA, Salinas shall manage and oversee day-to-day operation of VBF's business, which services may include, without limitation: (1) maintaining legally compliant and customary and appropriate hours of operation for the business; (2) causing VBF to hire and maintain current and future adequate and appropriate staff of employees during all hours of operation; (3) managing, supervising, monitoring performance and directing all personnel; (4) recommending administrative policies and procedures; (5) implementing approved policies and procedures, all in compliance with the terms of this Agreement, the Cooperation Agreement and Applicable Law; (6) material support from VBF's third party vendors, who provided services and products to Livacich and VBF for the operation of the Facility for the benefit of Salinas; and (7) exercise commercially reasonable discretion to optionally utilize MCOA's distribution license at its Lynwood, California facility operated by Natural Plant Extract of California Inc., a California corporation, if Salinas determines that it would result in lower taxes and be economically more beneficial for VBF's operations.

ii. Inventory Management. With the commercially reasonable efforts and cooperation of Livacich, which is material valuable consideration to this Agreement, the Cooperation Agreement and the APA, establish, purchase, and manage appropriate and customary inventory and supply levels for use in connection with VBF's business, including, but not limited to, supplies necessary to conduct VBF's current and customary Commercial Cannabis Activity at the Facility as permitted under Applicable Law, office supplies, and production and technology supplies.

iii. Equipment and Physical Maintenance. With the commercially reasonable efforts and cooperation of Livacich, which is material valuable consideration to this Agreement and the APA, assist Salinas in providing the current and customary Services relating to equipment and operations as follows: (1) maintenance; (2) cleaning; (3) painting; (4) decorating; (5) plumbing; (6) carpeting; (7) grounds-keeping; (8) landscaping; (9) such other maintenance and repair work that is customarily reasonably necessary or desirable; and (10) and such other related services as may be reasonably required by Salinas from time to time.

iv. Regulatory Compliance. With the commercially reasonable efforts and cooperation of Livacich, which is material valuable consideration to this Agreement and the APA, assist Salinas in providing regulatory compliance services (either directly or by engaging a subcontractor for regulatory compliance services with cannabis specific subject matter experience), which services may include, without limitation: (1) providing VBF with ongoing advice and recommendations to ensure VBF's operations remain in compliance with Applicable Law; (2) providing internal compliance audits; (3) scheduling and planning external audits; (4) providing VBF with information necessary to maintain all active Licenses in compliance with Applicable Law; (5) monitoring administrative submission requirements for all active Licenses; (6) ensuring VBF is recording and maintaining all required records related to VBF's operations; (7) preparing and conducting periodic reviews of all standard operating procedures; and (8) ensuring that all employees and staff are aware of all regulatory requirements.

v. Payroll. Salinas shall, with the commercially reasonable efforts of Livacich and VBF, provide payroll services (either directly or by engaging a subcontractor for payroll services that is authorized to engage in payroll services in the State of California), which services may include, without limitation: (1) providing ongoing preparation and completion of payroll processing and payment services; (2) opening and maintaining a bank account for purposes of processing payroll related activities; (3) establishing procedures and systems for direct deposit and manual checks drawn on certain identified financial accounts; (4) providing electronic and manual payment of all payroll taxes; and (5) assisting with the electronic filing of quarterly and annual reports.

vi. HR Services. Salinas shall, with the commercially reasonable efforts of Livacich and VBF, provide HR services (either directly or by engaging a subcontractor for HR services), which services may include, without limitation: (1) advising and assisting VBF in the development and administration of HR policies and programs relating to the relevant labor relations, personnel administration, wage and salary administration, and safety; (2) directing and administering VBF's medical, health, and employee benefit and pension programs; (3) administering sickness prevention programs; (4) advising in the implementation of all HR policies and programs; (5) preparing and maintaining records, statistical data, and reports pertinent to applicable HR policies and programs; (6) perform background checks on candidates for hire; (7) additional HR services that are mutually agreed upon by the Parties, and, (8) maintain current qualified staffing levels, including the participation of Livacich, to assist Salinas in its provision of the Services.

vii. Marketing Services. Salinas shall, with the commercially reasonable efforts of Livacich and VBF, provide marketing services (either directly or by engaging a subcontractor for marketing services), which services may include, without limitation: (1) developing marketing plans; (2) engaging in promotional activities and advertising; and (3) implementing the marketing plans.

viii. IT Services. Salinas shall, with the commercially reasonable efforts of Livacich and VBF, provide IT services (either directly or by engaging subcontractor for IT services), which services may include, without limitation: (1) establishing telephone, network, and database management services; (2) developing information technology planning services; (3) procuring necessary hardware and software; (4) providing ongoing support for initial set up and/or relocation of the facilities or email services; and (5) additional IT services that are mutually agreed by the Parties.

ix. Legal Services. Salinas shall, with the commercially reasonable efforts of Livacich and VBF, provide legal services (by engaging subcontractor attorneys to provide legal services that are licensed to practice law in the State of California with cannabis specific subject matter experience), which services may include, without limitation: (1) drafting and reviewing letters, contracts and other legal documents; (2) providing legal consultation and opinions; (3) maintaining corporate books and records; (4) litigation management, as applicable; (5) advising on certain regulatory compliance matters; and (6) structuring and advising on prospective mergers and acquisitions.

x. Tax Services. Salinas shall, with the commercially reasonable efforts of Livacich and VBF, provide tax services (by engaging subcontractor CPAs that are authorized to engage in CPA services in the State of California, with cannabis specific subject matter experience), which services may include, without limitation: (1) tax monitoring, support, recommendations and advice as may be necessary to ensure SD's ongoing compliance with the sales and use tax laws, cannabis tax law, and other programs administered by the California Department of Tax and Fee Administration which may affect SD; (2) extensive knowledge of Federal tax law as it relates to cannabis businesses (including, but not limited to IRS Code § 280E tax planning); (3) preparing tax returns and other related reports that require filing; and (4) ensuring payment of the: (I) Local Tax; and (II) State Excise Tax, if applicable.

xi. Accounting Services. Salinas shall, with the commercially reasonable efforts of Livacich and VBF, provide accounting services (by engaging subcontractor accountants and/or bookkeepers that are authorized to engage in accounting services in the State of California, with cannabis specific subject matter experience), which services may include, without limitation: (1) maintaining a separate bank account for VBF controlled by Salinas, to be used in making or causing to be made any expenditure that is necessary pursuant to this Agreement, and providing copies of all bank statements and transactions on a monthly basis; (2) general bookkeeping, accounting, and maintenance of corporate records; (3) drafting periodic financial statements; (4) providing audited and unaudited balance sheets, statements of income and results of operation; (5) engaging in verbal and written communications with investors and professional services providers; and (6) providing other related services as mutually agreed from time to time by the Parties related to VBF's business and operations. Livacich and VBF shall provide Salinas with whatever reasonable budgets, reports, and other documentation Salinas reasonably requests, within a reasonable time after request. Livacich and VBF shall allow Salinas to reasonably inspect, audit, and copy VBF's books, records and files relating to the business.

xii. Security Services. Salinas shall, with the commercially reasonable efforts of Livacich and VBF, provide security services (by engaging subcontractor security personnel that are authorized to engage in security services in the State of California, with cannabis specific subject matter experience), which services may include, without limitation: (1) alarm system installation and monitoring; (2) video surveillance installation and monitoring; (3) armed or unarmed guard personnel; and (4) such other security services as are objectively necessary or desirable for SD's business.

xiii. Operating Budget. Salinas shall control the VBF bank accounts and operating budget. With the cooperation of Livacich and VBF, Salinas shall establish a segregated bank account in the name of VBF for transacting all activities related to Operations ("Operating Account"). All Gross Revenue shall be deposited into the Operating Account, provided that cash received shall be deposited into a segregated vault ("Cash Account"). The President and Chief Financial Officer of Salinas will be listed as authorized signers on the Operating Account and Cash Account.

xiv. Facility Inspections. Salinas shall, with the commercially reasonable efforts and participation of Livacich and VBF, provide comprehensive inspections of the Manufacturing Premises and the Distribution Premises and will ensure that each premises complies with OSHA and other applicable safety laws and regulations.

xv. Development Plan and Management Process. Salinas shall, with the commercially reasonable efforts and participation of Livacich and VBF, keep detailed records and accounts related to VBF's Commercial Cannabis Activity and track key performance indicators including but not limited to, (i) operational expenditure per unit produced; (ii) throughput of production; (iii) capital expenditure timeline; and (iv) operational expenditure timeline. Salinas shall, with the commercially reasonable efforts and participation of Livacich and VBF, generate weekly reviews of all process data information to ensure process development is continuously improving yield and quality of the product.

xvi. Miscellaneous Services. In addition to the foregoing, Livacich and VBF shall provide or cause to be provided all other activities that Salinas determines in its reasonable judgment, are necessary or desirable for the day-to-day operation or management of VBF's business.

b. Subcontracting with subcontractors. Notwithstanding anything to the contrary herein, Livacich and VBF agrees and acknowledges that within the agreed upon budget Salinas shall be permitted to subcontract or otherwise delegate any or all of its duties and obligations hereunder to one or more subcontractors, provided that: (i) the terms of each such arrangement shall be on terms consistent herewith, including without limitation by requiring that the applicable third party perform its duties and obligations thereunder in a manner consistent the terms of this Agreement; (ii) no such arrangement shall relieve Salinas of its obligation to ensure the performance of all of the duties and responsibilities contemplated to be performed by Salinas under this Agreement. Notwithstanding the foregoing, Salinas shall remain responsible for onsite operational management at the Licensed Premises during the Term.

c. Cooperation. With the commercially reasonable efforts and cooperation of Livacich, which is material valuable consideration to this Agreement and the APA, cooperate with Salinas in all reasonable respects in matters relating to the provision and receipt of the Services. This includes, but is not limited to, ensuring that Salinas and Salinas Representatives have access to the Licensed Premises twenty-four (24) hours per day, seven (7) days per week. If required by law to do so, and before the change of ownership over the Licenses occurs, Livacich shall be responsible for communicating with State Regulatory Bodies as necessary on behalf of VBF and shall communicate and consult with Salinas concerning all such communications.

d. Insurance. VBF shall maintain, throughout the Term and for a period of one (1) year thereafter, at its own cost and expense from a qualified insurance company Standard General Liability Insurance (covering hazards and interruptions) and Product Liability Insurance. All insurance policies shall name Salinas as additional insured or named additional insured with limits no less than the greater of the amount required by Applicable Law and one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) in the aggregate, including bodily injury, property damage, and products and completed operations, which policy will include contractual liability coverage insuring the activities of Salinas under this Agreement. Upon demand, VBF and Livacich shall furnish to Salinas a certificate of insurance evidencing same within five (5) days after request for same.

e. Standard of Performance. Livacich shall, in cooperating and working with Salinas, use that degree of skill, care and diligence that a reasonable person would use acting in like circumstances in accordance with industry standards and Applicable Law.

f. Meeting Production and Sales Projections. Livacich and VBF provided Salinas with production and sales projections attached hereto and incorporated by reference as Exhibit F. Livacich and VBF agree to provide material continuing support and cooperation to Salinas in meeting these production and sales projections.

3. EQUIPMENT, CAPITAL, LEASE.

a. Equipment and Capital. VBF shall furnish all equipment and machinery necessary for Salinas' operation.

b. Lease. VBF and Livacich represents and warrants that it is a current tenant of the Licensed Premises and that no provision of this Agreement is conflicting with the terms and conditions of VBF's lease agreement for the Licensed Premises.

4. PAYMENT

a. This Agreement is part of the transaction whereby Salinas acquired VBF. As consideration for undertaking the APA, Livacich's Employment Agreement and the Cooperation Agreement, and for good and valuable other consideration provided by VBF, Livacich and SIGO, MCOA agreed to assume 100% of the following notes issued by SIGO, in favor of St. George Investments, LLC, a Utah limited liability company: (i) that certain Secured Convertible Promissory Note dated December 8, 2017 in the original principal amount of $170,000.00; (ii) that certain Secured Convertible Promissory Note dated February 13, 2018 in the original principal amount of $4,245,000.00 (the "SIGO Notes"); and St. George agreed to return to SIGO treasury fifty (50) shares of Series A Preferred Stock of VBF Brands, Inc., and cancel warrants issued by SIGO in connection with the SIGO Notes. The Parties further agree that after six months and one day from the Effective Date, Buyer will forgive all of the debt associated with the SIGO Notes in favor of VBF and SIGO.

5. REGULATORY DISCLOSURES; COMPLIANCE

a. Regulatory Disclosures.

i. The Parties acknowledge the contractual relationship contemplated hereby requires regulatory disclosure of Salinas as an "Owner Operator" of VBF's Licenses under State Law. Immediately following the Effective Date, VBF and Livacich shall: (i) Notify the BCC and CDPH of the change in "Ownership" of each applicable License occasioned by this Agreement pursuant to Section 5023(c) of the BCC regulations and Section 40178 of the CDPH Regulations by completing the necessary and appropriate forms provided by each City, County and State Regulatory Authority.

ii. The Parties acknowledge the contractual relationship contemplated hereby requires regulatory disclosure to the CDPH of certain Salinas Representatives in their individual capacity, as "Owners". Immediately following the Effective Date, VBF shall: (i) Notify the CDPH of the change in "Ownership" the Manufacturing License occasioned by this Agreement.

iii. Salinas agrees to provide VBF with all personal information relating to Salinas and Salinas' Affiliates including LiveScans and all other information that is required by state law to be disclosed by VBF to the City and State Regulatory Authorities. Salinas hereby authorizes and consents VBF to submit all such required personal information of Salinas and Salinas' Affiliates to the City and State Regulatory Authorities and shall cause all such Affiliates to complete LiveScans, provide their personal information, and consent to such disclosure.

b. Compliance. It is the Parties' intent that this Agreement comply in all respects with all Applicable Laws and the Parties have structured their relationship with that specific intent. However, each Party understands that the Applicable Laws are complicated and in a state of flux. In the event that the State Regulatory Authorities require additional disclosure obligations pursuant to Section 6(a) above, or which require changes to the structure of this Agreement for compliance purposes, the Parties agree to use best efforts to make such disclosures and/or modify this Agreement to comply with the new requirements while preserving the intent of the Parties set forth herein. In addition, each Party further understands that United States Federal laws may render the subject of this Agreement as void or unenforceable, and as a result, the Parties expressly acknowledge and agree that if United States Federal laws that would render the subject of this Agreement as void or unenforceable that does not and will not apply to this Agreement, the transactions contemplated hereby, or the relationship of the Parties hereto, and notwithstanding, the Parties will cooperate to perform the substance of their obligations hereunder. Therefore, subject to this paragraph, in the event that any provision of this Agreement is rendered invalid or unenforceable by a court of competent jurisdiction, or the applicable laws and regulations are altered by any legislative or regulatory body, or either Party notifies the other Party in writing of its reasonable belief that this Agreement or any of its provisions may be declared null, void, unenforceable, or in violation of Applicable Laws, the remaining provisions, if any, of this Agreement shall nevertheless continue in full force and effect.

6. TERM

a. Initial Term. This Agreement and the provisions hereof, shall be in full force and effect for ten (10) years following the Effective Date. During the Term, the Agreement may not be terminated, except in the event that one Party materially breaches this Agreement, which breach cannot reasonably be cured or remains uncured for thirty (30) days after the non-breaching Party provides written notice of the breach to the breaching Party. The expiration or termination of this Agreement shall not act as a waiver of any claims, suits, or causes of action of any kind that either Party may have against the other arising out of this Agreement or the Services.

b. Renewal Term. Prior to the expiration of the Initial Term, Salinas can send written notice to Livacich and VBF of its intent to renew the Agreement for a subsequent ten (10) year renewal term (a "**Renewal Term**") at least thirty (30) days prior to the expiration of the then current term.

c. Notwithstanding sub-sections (a) and (b) above, in the event VBF, SIGO or Livacich breaches the terms and conditions of the APA, Cooperation Agreement or Executive Employment Agreement, this Agreement is terminable at the option of Salinas upon written notice thereof to VBF.

7. REPRESENTATIONS AND WARRANTIES

Each Party represents and warrants to the other Party that: (i) it is duly organized, validly existing and in good standing as a corporation or

other entity as represented herein under the laws and regulations of its jurisdiction of incorporation, organization or chartering; (ii) it has the full right, power and authority to enter into this Agreement, to grant the rights granted hereunder and to perform its obligations hereunder; (iii) it owns or has rightful legal interest in and to any equipment or materials provided by the Party being utilized in connection with the services provided in this Agreement (iv) the execution of this the Agreement by its Representative whose signature is set forth at the end hereof has been duly authorized by all necessary corporate action of the Party; and (v) when executed and delivered by such Party, this Agreement will constitute the legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms.

8. INDEMNITY; LIMITATION ON LIABILITY

a. Indemnity of Salinas and MCOA. VBF and SIGO hereby indemnifies and holds Salinas and MCOA (along with its directors, officers, employees, agents, and shareholders) harmless from any liability, cost or expense (including reasonable attorneys' fees) arising out of any claim asserted by a third party against MCOA or Salinas which claim is based on a breach by VBF, SIGO or Livacich of their obligations hereunder and/or the gross negligence or intentionally wrongful acts or omissions of VBF, SIGO or Livacich in the performance of their obligations and responsibilities under this Agreement, including, without limitation: (i) VBF, SIGO and Livacich's use the Licensed Premises prior to the execution of this Agreement, or of VBF, SIGO and Livacich's use of the equipment at the Licensed Premises prior to the execution of this Agreement; and, (ii) events or circumstances that transpired between VBF, SIGO and/or Livacich and thirdparties prior to the execution of this Agreement. If Salinas seeks indemnification from VBF, SIGO or Livacich, it shall give VBF, SIGO and/or Livacich notice of such claim, and VBF, SIGO or Livacich shall defend and settle such claim at their sole expense, provided that Salinas and MCOA shall cooperate in such defense, and further provided that Salinas and MCOA may elect to engage counsel to participate in such defense at its own expense.

b. Indemnity of VBF, SIGO and Livacich. Salinas and MCOA hereby indemnifies and holds VBF, SIGO and Livacich (along with its directors, officers, employees, agents, and shareholders) harmless from any liability, cost or expense (including reasonable attorneys' fees) or any suit, action, liability, proceeding, or governmental investigation, pending or threatened, whether based on statute, regulation or order, tort, contract or otherwise, before any court or governmental authority, arising out of any claim asserted by a third party against VBF, SIGO and Livacich which claim is based on or arising from (i) a breach of any representation, warranty or covenant set forth in this Agreement; (ii) a breach by MCOA or Salinas of their respective obligations hereunder and in the performance of their respective obligations and responsibilities under this Agreement; or, (iii) gross negligence or intentionally wrongful acts of MCOA or Salinas. If VBF, SIGO or Livacich seeks indemnification from Salinas/MCOA, it shall give Salinas/MCOA notice of such claim, and Salinas and MCOA shall defend and settle such claim at its sole expense, provided that VBF, SIGO and Livacich shall cooperate in such defense, and further provided that VBF, SIGO and Livacich may elect to engage counsel to participate in such defense at their own expense.

c. Limitation of Liability.

i. With the exception of Livacich, the obligations of any other Party pursuant to this Agreement shall not constitute personal obligations of such Party's Representatives, and the other Party shall look solely to such Party and to no other Person for the satisfaction of any liability with respect to this Agreement. The limitations of liability set forth in this Section 8 are in addition to, and not in lieu of, any other limitations of liability or indemnification obligations set forth elsewhere in this Agreement, in the APA, or in other contracts, agreements, instruments, or other documents.

9. CONFIDENTIALITY

a. Confidential Information. Each Party acknowledges that, in connection with this Agreement and it will gain access to the other Party's Confidential Information. Each Party shall: (i) protect and safeguard the confidentiality of the other Party's Confidential Information with at least the same degree of care as such Party would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care; (ii) not use the other Party's Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under this Agreement; and (c) not disclose any such Confidential Information to any person or entity, except to its Representatives who are bound by written confidentiality obligations and have a need to know the Confidential Information to exercise its rights or perform its obligations under this Agreement. Notwithstanding the foregoing, each Party expressly acknowledges that it does not and will not have an ownership interest, whatsoever, in any of the other Party's Confidential Information, and shall have no right to use any of the other Party's Confidential Information except during the Term of this Agreement with the other Party's express written consent.

b. Disclosure of Confidential Information. Notwithstanding the foregoing, a Party may disclose the other Party's Confidential Information to the extent required to comply with Applicable Law, governmental regulations, or pursuant to an order of a court of competent jurisdiction, but even then, only upon sufficient advanced written notice SD to permit SD to object, quash, or otherwise seek to avoid disclosure of the Confidential Information, should it choose to do so.

10. MISCELLANEOUS

a. Notice. Any notice required to be given pursuant to this Agreement shall be in writing and delivered personally to the other designated Party or mailed by certified or registered mail, return receipt requested or delivered by a recognized national overnight courier service, except email may be used for day-to-day operations and contacts but not for 'notice' or other communications required under this Agreement or by law.

b. Waiver. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial

exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

c. Severability. In the event that any term, clause, or provision hereof is held invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or operation of any other term, clause or provision and such invalid term, clause or provision shall be deemed to be severed from the Agreement.

d. Assignment. The rights granted hereunder may be assigned, delegated or sub-contracted by either Party with the written consent of the other Party to this Agreement, which consent shall not be unreasonably withheld, delayed, or conditioned.

e. Relationship of The Parties. The relationship between the Parties is that of independent contractors. Nothing in this Agreement shall create or shall be deemed to create any joint venture or partnership between the Parties, nor shall anything in this Agreement render or be construed to render any of employees or agents of one Party to be employees or agents of the other Party. This Agreement does not provide any of one Party's employees or agents with any rights or benefits to which an employee or agent of the other Party may be entitled. Each Party acknowledges exclusive responsibility for and indemnifies the other Party against withholding and payment of any and all taxes, including but not limited to FICA taxes, worker's compensation insurance premiums, unemployment, state and federal income taxes, and any such withholding payments required under state or federal law, as well as vacation pay, paid sick leave, retirement benefits, and employee benefits of any kind whatsoever for all Personnel on their payroll, and neither Party shall be liable for any of the foregoing with regard to Personnel on the other Party's payroll.

f. Entire Agreement. This Agreement and any other documents incorporated herein by reference, constitutes the sole and entire agreement of the Parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

g. Amendments. Any amendment to this Agreement must be in writing and signed by an authorized person of each Party.

h. Surviving Rights. Any rights or obligations of the Parties in this Agreement which, by their nature, should survive termination or expiration of this Agreement will survive any such termination or expiration.

i. Further Assurances. Each Party shall, upon the reasonable request of the other Party, promptly execute such documents and perform such acts as may be necessary to give full effect to the terms of this Agreement.

j. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

k. Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

l. Equitable Relief. Each Party acknowledges that a breach by the Party of this Agreement may cause the other Party irreparable damages, for which an award of damages would not be adequate compensation and agrees that, in the event of such breach or threatened breach, the other Party will be entitled to seek equitable relief, including a restraining order, injunctive relief, specific performance and any other relief that may be available from any court, in addition to any other remedy to which the other Party may be entitled at law or in equity. Such remedies shall not be deemed to be exclusive but shall be in addition to all other remedies available at law or in equity (which are cumulative and may be exercised singularly or concurrently), subject to any express exclusions or limitations in this Agreement to the contrary.

m. Counterparts; Electronic Execution. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same Agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

n. Force Majeure. Neither Party shall be responsible for delays or failure of performance under this Agreement to the extent resulting from causes that are beyond the reasonable control of such Party and which render the continued performance of this Agreement impossible, impractical or illegal, including, but not limited to, fire, flood, explosion, tornado, epidemic, earthquake, snowstorm, ice storm or other act of God, embargo, explosion, malfunction, riots, civil disputes, acts or threatened acts of terrorism or war, failure of the internet or government controls or regulations, lack of availability of source material meeting the qualifications and standards in this Agreement at commercially reasonable prices, and problems or defects in relation to the Internet and/or any telecommunication systems. The existence of such causes of such delay or failure shall extend the period for performance to the extent necessary to enable complete performance in the exercise of reasonable diligence after the causes of delay or failure have been removed.

o. Jurisdiction and Disputes.

i. This Agreement shall be governed and construed in accordance with the internal laws of the State of California without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction) that would cause the

application of laws of any jurisdiction other than those of the State of California.

ii. In the event of any Claim arising out of or relating to any performance required under this Agreement, or the interpretation, validity, or enforceability hereof, the Parties hereto shall use their best efforts to settle the Claim. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable resolution satisfactory to the Parties. If the Claim cannot be settled through negotiation within a period of seven (7) days, the Parties agree to attempt in good faith to settle the Claim through mediation, administered by a mediator mutually agreeable to the Parties, before resorting to arbitration. If they do not reach such resolution, or an agreed upon mediator cannot be identified, within a period of thirty (30) days, then, upon notice by either party to the other they shall commence arbitration as set forth below.

iii. The Parties agree to submit any and all Claims, or any dispute related in any way to this Agreement and the services rendered hereunder, to binding arbitration before JAMS. The arbitration shall be held in accordance with the JAMS then-current Streamlined Arbitration Rules & Procedures (and no other JAMS rules), which currently are available at: http://www.jamsadr.com/rules-streamlined-arbitration. The arbitrator shall be either a retired judge, or an attorney who is experienced in commercial contracts and licensed to practice law in California, selected pursuant to the JAMS rules. The Parties expressly agree that any arbitration shall be conducted in the Los Angeles County, California. Each party understands and agrees that by signing this Agreement, such party is waiving the right to a jury. The arbitrator shall apply California substantive law in the adjudication of all Claims. Notwithstanding the foregoing, either party may apply to the Superior Courts located in Los Angeles County, California for a provisional remedy, including but not limited to a temporary restraining order or a preliminary injunction. The application for or enforcement of any provisional remedy by a party shall not operate as a waiver of the Agreement to submit a dispute to binding arbitration pursuant to this provision. In no event shall a Claim be adjudicated in Federal District Court. In the event that either party commences a Claim in Federal District Court or moves to remove such action to Federal District Court, the Parties hereby mutually agree to stipulate to a dismissal of such Federal Claim with prejudice. After a demand for arbitration has been filed and served, the Parties may engage in reasonable discovery in the form of requests for documents, interrogatories, requests for admission, and depositions. The arbitrator shall resolve any disputes concerning discovery. The arbitrator shall award costs and reasonable attorneys' fees to the prevailing party, as determined by the arbitrator, to the extent permitted by California law. The arbitrator's decision shall be final and binding upon the Parties. The arbitrator's decision shall include the arbitrator's findings of fact and conclusions of law and shall be issued in writing within thirty (30) days of the commencement of the arbitration proceedings. The prevailing party may submit the arbitrator's decision to Superior Courts located in Los Angeles County for an entry of judgment thereon.

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound hereby, have duly executed this Agreement as of the date set forth below.

VBF BRANDS, INC.
a California corporation

By: _____
Lori Livacich
President, Chief Executive Officer

SUNSENT ISLAND GROUP.
a Colorado corporation

By: _____
Lori Livacich
President, Chief Executive Officer

LORI LIVACICH

By: /s/ Lori Livacich
Lori Livacich
An Individual

SALINAS DIVERSIFIED VENTURES, INC.
a California corporation

By: /s/ Jesus M. Quintero
Jesus M. Quintero
President, Chief Executive Officer

MARIJUANA COMPANY OF AMERICA, INC.
a Utah corporation

By: _____
Jesus M. Quintero

President, Chief Executive Officer

EXHIBIT 10.5

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "**Agreement**"), dated as of September __, 2021, is entered into by and between Marijuana Company of America, Inc., a Utah corporation ("**Company**"), and St. George Investments LLC, a Utah limited liability company, its successors and/or assigns ("**Investor**").

A. Company and Investor are executing and delivering this Agreement in reliance upon an exemption from securities registration afforded by the Securities Act of 1933, as amended (the "**1933 Act**"), and the rules and regulations promulgated thereunder by the United States Securities and Exchange Commission (the "**SEC**").

B. Investor desires to purchase and Company desires to issue and sell, upon the terms and conditions set forth in this Agreement, a Convertible Promissory Note, in the form attached hereto as Exhibit A, in the original principal amount of $3,455,178.00 (the "**Note**"), convertible into shares of common stock, $0.001 par value per share, of Company (the "**Common Stock**"), upon the terms and subject to the limitations and conditions set forth in such Note.

C. This Agreement, the Note, and all other certificates, documents, agreements, resolutions and instruments delivered to any party under or in connection with this Agreement, as the same may be amended from time to time, are collectively referred to herein as the "**Transaction Documents**".

D. For purposes of this Agreement: "**Conversion Shares**" means all shares of Common Stock issuable upon conversion of all or any portion of the Note; and "**Securities**" means the Note and the Conversion Shares.

E. As partial consideration for the purchase of the Securities, Investor desires to assign and transfer, and Company desires to receive and accept, the following notes issued by Sunset Island Group, Inc., a Colorado corporation ("**SIGO**"), in favor of Investor: (i) that certain Secured Convertible Promissory Note dated December 8, 2017 in the original principal amount of $170,000.00 attached hereto as Exhibit B "**SIGO Note 1**"); (ii) that certain Secured Convertible Promissory Note dated February 13, 2018 in the original principal amount of $4,245,000.00 ("**SIGO Note 2**", and together with SIGO Note 1, the "**SIGO Notes**"); and (iii) fifty (50) shares of Series A Preferred Stock of VBF Brands, Inc., a subsidiary of SIGO (the "**Preferred Shares**", and together with the SIGO Notes, the "**SIGO Securities**").

NOW, THEREFORE, in consideration of the above recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Company and Investor hereby agree as follows:

1. Purchase and Sale of Securities.

1.1. Purchase of Securities. Company shall issue and sell to Investor and Investor agrees to purchase from Company the Note. In consideration thereof, Investor shall: (i) pay the amount designated as the Cash Purchase Price on the signature page to this Agreement (the "**Cash Purchase Price**"), and (ii) transfer and assign the SIGO Securities and all rights to the collateral securing the SIGO Notes to Company pursuant to an Assignment substantially in the form attached hereto as Exhibit D (the "**Assignment**", and together with the Cash Purchase Price, the "**Purchase Price**"). The parties agree that for purposes of this Agreement, the value of the SIGO Securities is $1,770,982.00 (the "**SIGO Securities Value**"). The SIGO Securities Value represents the value of the collateral securing the SIGO Notes as determined by an independent appraisal jointly ordered by Company and Investor.

1.2. Form of Payment. On the Closing Date, (i) Investor shall pay the Purchase Price to Company by delivering the following at the Closing (as defined below) (or on such other date as shall be set forth herein): (A) the Cash Purchase Price, which shall be delivered by wire transfer of immediately available funds to Company, in accordance with Company's written wiring instructions; and (B) assigning the SIGO Securities to Company by executing the Assignment; and (ii) Company shall deliver the duly executed Note on behalf of Company, to Investor, against delivery of such Purchase Price.

1.3. Closing Date. Subject to the satisfaction (or written waiver) of the conditions set forth in Section 5 and Section 6 below, the date of the issuance and sale of the Securities pursuant to this Agreement (the "**Closing Date**") shall be September __, 2021, or such other mutually agreed upon date. The closing of the transactions contemplated by this Agreement (the "**Closing**") shall occur on the Closing Date by means of the exchange by email of signed .pdf documents, but shall be deemed for all purposes to have occurred at the offices of Hansen Black Anderson Ashcraft PLLC in Lehi, Utah.

1.4. Original Issue Discount; Transaction Expense Amount. The Note carries an original issue discount of $574,196.00 (the "**OID**"). In addition, Company agrees to pay $10,000.00 to Investor to cover Investor's legal fees, accounting costs, due diligence, monitoring and other transaction costs incurred in connection with the purchase and sale of the Securities (the "**Transaction Expense Amount**"), all of which amount is included in the initial principal balance of the Note. The Purchase Price, therefore, shall be $2,870,982.00, computed as follows: $3,455,178.00 initial principal balance, less the OID, less the Transaction Expense Amount. The Cash Purchase Price shall be the Purchase Price less the SIGO Securities Value.

2. Investor's Representations and Warranties.

2.1. Transaction Documents Representations and Warranties. Investor represents and warrants to Company that as of the Effective Date: (i) this Agreement has been duly and validly authorized; (ii) this Agreement constitutes a valid and binding agreement of Investor enforceable in

accordance with its terms; (iii) Investor is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D of the 1933 Act; and (iv) this Agreement and the Assignment have been duly executed and delivered on behalf of Investor.

2.2. SIGO Securities Representations and Warranties. Investor represents and warrants to Company that as of the Effective Date: (i) Investor has the sole and unrestricted right to sell and/or transfer the SIGO Securities and any portion thereof; and (ii) upon completion of the Assignment, Company will have good an unencumbered title to the SIGO Securities. Except for the foregoing representations and warranties, this Agreement and the Assignment are made by Investor without recourse, representation or warranty of any nature or kind, express or implied, and Investor specifically disclaims any warranty, guaranty or representation, oral or written, past, present or future with respect to the SIGO Securities, any portion thereof, or any instruments evidencing same, including, without limitation: (a) the validity, effectiveness or enforceability of the SIGO Securities, any portion thereof, or any instruments evidencing same; (b) the validity, existence, or priority of any lien or security interest securing the obligations of Company evidenced by the SIGO Notes, any portion thereof, or any instruments evidencing same; (c) the existence of, or basis for, any claim, counterclaim, defense or offset relating to the SIGO Notes, any portion thereof, or any instruments evidencing same; (d) the financial condition of SIGO or any guarantor or obligor liable under the SIGO Notes, any portion thereof, or any instruments evidencing same, or the ability of any such parties to pay or perform their respective obligations under the SIGO Notes, any portion thereof, or any instruments evidencing same; (e) the compliance of the SIGO Notes, any portion thereof, or any instruments evidencing same with any laws, ordinances or regulations of any governmental agency or other

body; (f) the value or condition of any collateral securing the obligations under the SIGO Notes, any portion thereof, or any instruments evidencing same; and (g) the future performance of Company or any other guarantor or obligor liable under the SIGO Notes, any portion thereof, or any instruments evidencing same. Company acknowledges and represents to Investor that Company has been given the opportunity to undertake its own investigations of Company, the SIGO Securities, any portion thereof, or any instruments evidencing same, and having undertaken and performed all such investigations as Company deemed necessary or desirable, Company represents, warrants and agrees that it is relying solely on its own investigation of Company, the SIGO Securities, any portion thereof, or any instruments evidencing same, and not any information whatsoever provided or to be provided by Investor, or any representation or warranty of Investor. This Agreement and the Assignment of the SIGO Securities are made on an "**AS IS**," "**WHERE IS**" basis, with all faults, and Company, by acceptance of this Agreement and the Assignment, shall be deemed to have agreed and acknowledged that Investor has fully performed, discharged and complied with all of Investor's obligations, representations, warranties, covenants and agreements hereunder, that Investor is discharged therefrom, and that Investor shall have no further liability with respect thereto, except only for those express warranties contained in this Agreement, and Company, by such acceptance, expressly acknowledges that INVESTOR MAKES NO WARRANTY OR REPRESENTATIONS, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, RELATING TO THE SIGO SECURITIES, THE TRANSACTION DOCUMENTS, ANY PORTION THEREOF, OR ANY INSTRUMENTS EVIDENCING SAME, EXCEPT AS SPECIFICALLY SET FORTH HEREIN.

3. Company's Representations and Warranties.

3.1. Transaction Documents Representations and Warranties. Company represents and warrants to Investor that as of the Effective Date: ~~(i)~~(i) Company is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation and has the requisite corporate power to own its properties and to carry on its business as now being conducted; ~~(ii)~~(ii) except as disclosed, Company is duly qualified as a foreign corporation to do business and is in good standing in each jurisdiction where the nature of the business conducted or property owned by it makes such qualification necessary; ~~(iii)~~(iii) Company has registered its Common Stock under Section 12(g) of the Securities Exchange Act of 1934, as amended (the "**1934 Act**"), and is obligated to file reports pursuant to Section 13 or Section 15(d) of the 1934 Act; ~~(iv)~~(iv) each of the Transaction Documents and the transactions contemplated hereby and thereby, have been duly and validly authorized by Company and all necessary actions have been taken; ~~(v)~~(v) this Agreement, the Note, and the other Transaction Documents have been duly executed and delivered by Company and constitute the valid and binding obligations of Company enforceable in accordance with their terms; ~~(vi)~~(vi) the execution and delivery of the Transaction Documents by Company, the issuance of Securities in accordance with the terms hereof, and the consummation by Company of the other transactions contemplated by the Transaction Documents do not and will not conflict with or result in a breach by Company of any of the terms or provisions of, or constitute a default under (a) Company's formation documents or bylaws, each as currently in effect, (b) any indenture, mortgage, deed of trust, or other material agreement or instrument to which Company is a party or by which it or any of its properties or assets are bound, including, without limitation, any listing agreement for the Common Stock, or (c) any existing applicable law, rule, or regulation or any applicable decree, judgment, or order of any court, United States federal, state or foreign regulatory body, administrative agency, or other governmental body having jurisdiction over Company or any of Company's properties or assets; ~~(vii)~~(vii) no further authorization, approval or consent of any court, governmental body, regulatory agency, self-regulatory organization, or stock exchange or market or the stockholders or any lender of Company is required to be obtained by Company for the issuance of the Securities to Investor or the entering into of the Transaction Documents; ~~(viii)~~(viii) none of Company's filings with the SEC contained, at the time they were filed, any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; ~~(ix)~~(ix) Company has

filed all reports, schedules, forms, statements and other documents required to be filed by Company with the SEC under the 1934 Act on a timely basis or has received a valid extension of such time of filing and has filed any such report, schedule, form, statement or other document prior to the expiration of any such extension; ~~(x)~~(x) except as disclosed, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending or, to the knowledge of Company, threatened against or affecting Company before or by any governmental authority or non-governmental department, commission, board, bureau, agency or instrumentality or any other person, wherein an unfavorable decision, ruling or finding would have a material adverse effect on Company or which would adversely affect the validity or enforceability of, or the authority or ability of Company to perform its obligations under, any of the Transaction Documents; ~~(xi)~~(xi) Company has not consummated any financing transaction that has not been disclosed in a periodic filing or current report with the SEC under the 1934 Act; ~~(xii)~~(xii) Company is not, nor has it been at any time in the previous twelve (12) months, a "Shell Company," as such type of "issuer" is described in Rule 144(i)(1) under the 1933 Act; ~~(xiii)~~(xiii) with respect to any commissions,

placement agent or finder's fees or similar payments that will or would become due and owing by Company to any person or entity as a result of this Agreement or the transactions contemplated hereby ("**Broker Fees**"), any such Broker Fees will be made in full compliance with all applicable laws and regulations and only to a person or entity that is a registered investment adviser or registered broker-dealer; ~~(xiv)~~(xiv) Investor shall have no obligation with respect to any Broker Fees or with respect to any claims made by or on behalf of other persons for fees of a type contemplated in this subsection that may be due in connection with the transactions contemplated hereby and Company shall indemnify and hold harmless each of Investor, Investor's employees, officers, directors, stockholders, members, managers, agents, and partners, and their respective affiliates, from and against all claims, losses, damages, costs (including the costs of preparation and attorneys' fees) and expenses suffered in respect of any such claimed Broker Fees; ~~(xv)~~(xv) when issued, the Conversion Shares will be duly authorized, validly issued, fully paid for and non-assessable, free and clear of all liens, claims, charges and encumbrances; ~~(xvi)~~(xvi) neither Investor nor any of its officers, directors, stockholders, members, managers, employees, agents or representatives has made any representations or warranties to Company or any of its officers, directors, employees, agents or representatives except as expressly set forth in the Transaction Documents and, in making its decision to enter into the transactions contemplated by the Transaction Documents, Company is not relying on any representation, warranty, covenant or promise of Investor or its officers, directors, members, managers, employees, agents or representatives other than as set forth in the Transaction Documents; ~~(xvii)~~(xvii) Company acknowledges that the State of Utah has a reasonable relationship and sufficient contacts to the transactions contemplated by the Transaction Documents and any dispute that may arise related thereto such that the laws and venue of the State of Utah, as set forth more specifically in Section 9.2 below, shall be applicable to the Transaction Documents and the transactions contemplated therein; and ~~(xviii)~~(xviii) Company has performed due diligence and background research on Investor and its affiliates including, without limitation, John M. Fife, and, to its satisfaction, has made inquiries with respect to all matters Company may consider relevant to the undertakings and relationships contemplated by the Transaction Documents including, among other things, the following: http://investing.businessweek.com/research/stocks/people/person.asp?personId=7505107&ticker=UAHC; SEC Civil Case No. 07-C-0347 (N.D. Ill.); SEC Civil Action No. 07-CV-347 (N.D. Ill.); and FINRA Case #2011029203701. In addition, Investor and various of its affiliates are involved in ongoing litigation with the SEC regarding broker-dealer registration (*see* SEC Civil Case No. 1:20-cv-05227 (N.D. Ill.)). Company, being aware of the matters described in subsection (xviii) above, acknowledges and agrees that such matters, or any similar matters, have no bearing on the transactions contemplated by the Transaction Documents and covenants and agrees it will not use any such information as a defense to performance of its obligations under the Transaction Documents or in any attempt to avoid, modify or reduce such obligations.

3.2. SIGO Securities Representations and Warranties. Company represents and warrants to Investor that as of the Effective Date: (i) Company understands that the SIGO Securities and any underlying conversion shares will not be registered under the 1933 Act at the time of the Assignment and, therefore, cannot be resold unless they are registered under the 1933 Act and applicable state securities laws or unless an exemption from registration is available; (ii) Company understands that SIGO is under no obligation to register the SIGO Notes or any underlying conversion shares; (iii) Company has been furnished with, and has had access to, such information as it considers necessary or appropriate for deciding whether to enter into this Agreement, and Company has had an opportunity to ask questions and receive answers from SIGO and its officers concerning SIGO's financial situation, business, prospects, and any other matter that Company has deemed relevant or important in determining whether to enter into this Agreement; (iv) among other things, Company is aware that SIGO's business prospects are speculative; (v) Company has had the opportunity to consult with counsel of its choosing with respect to this Agreement and the transactions contemplated herein; (vi) no representations or warranties have been made to Company by Investor, or any of its respective officers, directors, employees, agents, sub-agents, affiliates or subsidiaries, other than the representations of Investor contained herein, and in purchasing the SIGO Securities hereunder, Company is not relying upon any representations of Investor other than those contained herein; (vii) Company is aware that its purchase of the SIGO Securities pursuant to this Agreement is a speculative investment that is subject to the risk of complete loss; (viii) Company has such knowledge and experience in financial and business matters that Company is capable of evaluating the merits and risks of such investment, is able to incur a complete loss of such investment and is able to bear the economic risk of such investment for an indefinite period of time; (ix) Company has sufficient opportunity to evaluate the value and sufficiency of the assets used as collateral under the SIGO Notes; and (x) Company understands the foreclosure process for each of the assets pledged as collateral under the SIGO Notes, including all applicable licenses, and is comfortable accepting the responsibility to foreclose on such assets.

4. Company Covenants. Until all of Company's obligations under all of the Transaction Documents are paid and performed in full, or within the timeframes otherwise specifically set forth below, Company will at all times comply with the following covenants: ~~(i)~~(i) so long as Investor beneficially owns any of the Securities and for at least twenty (20) Trading Days (as defined in the Note) thereafter, Company will timely file on the applicable deadline all reports required to be filed with the SEC pursuant to Sections 13 or 15(d) of the 1934 Act, and will take all reasonable action under its control to ensure that adequate current public information with respect to Company, as required in accordance with Rule 144 of the 1933 Act, is publicly available, and will not terminate its status as an issuer required to file reports under the 1934 Act even if the 1934 Act or the rules and regulations thereunder would permit such termination; ~~(ii)~~(ii) the Common Stock shall be listed or quoted for trading on any of (a) NYSE, (b) NASDAQ, (c) OTCQX, (d) OTCQB, or (e) OTC Pink Current Information; ~~(iii)~~(iii) when issued, the Conversion Shares will be duly authorized, validly issued, fully paid for and non-assessable, free and clear of all liens, claims, charges and encumbrances; and ~~(iv)~~(iv) trading in Company's Common Stock will not be suspended, halted, chilled, frozen, reach zero bid or otherwise cease on Company's principal trading market.

5. Conditions to Company's Obligation to Sell. The obligation of Company hereunder to issue and sell the Securities to Investor at the Closing is subject to the satisfaction, on or before the Closing Date, of each of the following conditions:

5.1. Investor shall have executed this Agreement and the Assignment and delivered the same to Company.

5.2. Investor shall have delivered the Cash Purchase Price to Company in accordance with Section 1.2 above.

6. Conditions to Investor's Obligation to Purchase. The obligation of Investor hereunder to purchase the Securities at the Closing is subject to the satisfaction, on or before the Closing Date, of each of the following conditions, provided that these conditions are for Investor's sole benefit and may be waived by Investor at any time in its sole discretion:

6.1. Company shall have executed this Agreement, the Assignment, and the Note, and delivered the same to Investor.

6.2. Company shall have delivered to Investor a fully executed Irrevocable Letter of Instructions to Transfer Agent (the " **TA Letter**") substantially in the form attached hereto as Exhibit D acknowledged and agreed to in writing by Company's transfer agent (the " **Transfer Agent**").

6.3. Company shall have delivered to Investor a fully executed Secretary's Certificate substantially in the form attached hereto as Exhibit F evidencing Company's approval of the Transaction Documents.

6.4. Company shall have delivered to Investor a fully executed Share Issuance Resolution substantially in the form attached hereto as Exhibit G to be delivered to the Transfer Agent.

6.5. Company shall have delivered to Investor fully executed copies of all other Transaction Documents required to be executed by Company herein or therein.

7. Reservation of Shares. On the date hereof, Company will reserve 5,150,000,000 shares of Common Stock from its authorized and unissued Common Stock to provide for all issuances of Common Stock under the Note (the "**Share Reserve**"). Company further agrees to add additional shares of Common Stock to the Share Reserve in increments of 10,000,000 shares as and when requested by Investor if as of the date of any such request the number of shares being held in the Share Reserve is less than three (3) times the number of shares of Common Stock obtained by dividing the Outstanding Balance (as defined in the Note) as of the date of the request by the Conversion Price (as defined in the Note). Company shall further require the Transfer Agent to hold the shares of Common Stock reserved pursuant to the Share Reserve exclusively for the benefit of Investor and to issue such shares to Investor promptly upon Investor's delivery of a Conversion Notice (as defined in the Note) under the Note. Finally, Company shall require the Transfer Agent to issue shares of Common Stock pursuant to the Note to Investor out of its authorized and unissued shares, and not the Share Reserve, to the extent shares of Common Stock have been authorized, but not issued, and are not included in the Share Reserve. The Transfer Agent shall only issue shares out of the Share Reserve to the extent there are no other authorized shares available for issuance and then only with Investor's written consent.

8. Terms of Future Financings. So long as the Note is outstanding, upon any issuance by Company of any security with any term or condition more favorable to the holder of such security or with a term in favor of the holder of such security that was not similarly provided to Investor in the Transaction Documents, then Company shall notify Investor of such additional or more favorable term and such term, at Investor's option, shall become a part of the Transaction Documents for the benefit of Investor. Additionally, if Company fails to notify Investor of any such additional or more favorable term, but Investor becomes aware that Company has granted such a term to any third party, Investor may notify Company of such additional or more favorable term and such term shall become a part of the Transaction Documents retroactive to the date on which such term was granted to the applicable third party. The types of terms contained in another security that may be more favorable to the holder of such security include, but are not limited to, terms addressing conversion discounts, conversion lookback periods, interest rates, original issue discounts, stock sale price, conversion price per share, warrant coverage, warrant exercise price, and anti-dilution/conversion and exercise price resets.

9. Miscellaneous. The provisions set forth in this Section 9 shall apply to this Agreement, as well as all other Transaction Documents as if these terms were fully set forth therein; provided, however, that in the event there is a conflict between any provision set forth in this Section 9 and any provision in any other Transaction Document, the provision in such other Transaction Document shall govern.

9.1. Arbitration of Claims. The parties shall submit all Claims (as defined in Exhibit H) arising under this Agreement or any other Transaction Document or any other agreement between the parties and their affiliates or any Claim relating to the relationship of the parties to binding arbitration pursuant to the arbitration provisions set forth in Exhibit H attached hereto (the "**Arbitration Provisions**"). For the avoidance of doubt, the parties agree that the injunction described in Section 9.3 below may be pursued in an arbitration that is separate and apart from any other arbitration regarding all other Claims arising under the Transaction Documents. The parties hereby acknowledge and agree that the Arbitration Provisions are unconditionally binding on the parties hereto and are severable from all other provisions of this Agreement. By executing this Agreement, Company represents, warrants and covenants that Company has reviewed the Arbitration Provisions carefully, consulted with legal counsel about such provisions (or waived its right to do so), understands that the Arbitration Provisions are intended to allow for the expeditious and efficient resolution of any dispute hereunder, agrees to the terms and limitations set forth in the Arbitration Provisions, and that Company will not take a position contrary to the foregoing representations. Company acknowledges and agrees that Investor may rely upon the foregoing representations and covenants of Company regarding the Arbitration Provisions.

9.2. Governing Law; Venue. This Agreement shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Agreement shall be governed by, the internal laws of the State of Utah, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Utah or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Utah. Each party consents to and expressly agrees that exclusive venue for arbitration of any dispute arising out of or relating to any Transaction Document or the relationship of the parties or their affiliates shall be in Salt Lake County, Utah. Without modifying the parties obligations to resolve disputes hereunder pursuant to the Arbitration Provisions, for any litigation arising in connection with any of the Transaction Documents (and notwithstanding the terms (specifically including any governing law and venue terms) of any transfer agent services agreement or other agreement between the Transfer Agent and Company, such litigation specifically includes, without limitation any action between or involving Company and the Transfer Agent under the TA Letter or otherwise related to Investor in any way (specifically including, without limitation,

any action where Company seeks to obtain an injunction, temporary restraining order, or otherwise prohibit the Transfer Agent from issuing shares of Common Stock to Investor for any reason)), each party hereto hereby (i) consents to and expressly submits to the exclusive personal jurisdiction of any state or federal court sitting in Salt Lake County, Utah, (ii) expressly submits to the exclusive venue of any such court for the purposes hereof, (iii) agrees to not bring any such action (specifically including, without limitation, any action where Company seeks to obtain an injunction, temporary restraining order, or otherwise prohibit the Transfer Agent from issuing shares of Common Stock to Investor for any reason) outside of any state or federal court sitting in Salt Lake County, Utah, and (iv) waives any claim of improper venue and any claim or objection that such courts are an inconvenient forum or any other claim, defense or objection to the bringing of any such proceeding in such jurisdiction or to any claim that such venue of the suit, action or proceeding is improper. Finally, Company covenants and agrees to name Investor as a party in interest in, and provide written notice to Investor in accordance with Section 9.11 below prior to bringing or filing, any action (including without limitation any filing or action against any person or entity that is not a party to this Agreement, including without limitation the Transfer Agent) that is related in any way to the Transaction Documents or any transaction contemplated herein or therein, including without limitation any action brought by Company to enjoin or prevent the issuance of any shares of Common Stock to Investor by the Transfer Agent, and further agrees to timely name Investor as a party to any such action. Company acknowledges that the governing law and venue provisions set forth in this Section 9.2 are material terms to induce Investor to enter into the Transaction Documents and that but for Company's agreements set forth in this Section 9.2 Investor would not have entered into the Transaction Documents.

9.3. Specific Performance. Company acknowledges and agrees that Investor may suffer irreparable harm in the event that Company fails to perform any material provision of this Agreement or any of the other Transaction Documents in accordance with its specific terms. It is accordingly agreed that Investor shall be entitled to one or more injunctions to prevent or cure breaches of the provisions of this Agreement or such other Transaction Document and to enforce specifically the terms and provisions hereof or thereof, this being in addition to any other remedy to which the Investor may be entitled under the Transaction Documents, at law or in equity. Company specifically agrees that following an Event of Default (as defined in the Note) under the Note, Investor shall have the right to seek and receive injunctive relief from a court or an arbitrator prohibiting Company from issuing any of its common or preferred stock to any party unless the Note is being paid in full simultaneously with such issuance. Company specifically acknowledges that Investor's right to obtain specific performance constitutes bargained for leverage and that the loss of such leverage would result in irreparable harm to Investor. For the avoidance of doubt, in the event Investor seeks to obtain an injunction from a court or an arbitrator against Company or specific performance of any provision of any Transaction Document, such action shall not be a waiver of any right of Investor under any Transaction Document, at law, or in equity, including without limitation its rights to arbitrate any Claim pursuant to the terms of the Transaction Documents, nor shall Investor's pursuit of an injunction prevent Investor, under the doctrines of claim preclusion, issues preclusion, res judicata or other similar legal doctrines, from pursuing other Claims in the future in a separate arbitration.

9.4. Counterparts. Each Transaction Document may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument. The parties hereto confirm that any electronic copy of another party's executed counterpart of a Transaction Document (or such party's signature page thereof) will be deemed to be an executed original thereof.

9.5. Document Imaging. Investor shall be entitled, in its sole discretion, to image or make copies of all or any selection of the agreements, instruments, documents, and items and records governing, arising from or relating to any of Company's loans, including, without limitation, this Agreement and the other Transaction Documents, and Investor may destroy or archive the paper originals. The parties hereto (i) waive any right to insist or require that Investor produce paper originals, (ii) agree that such images shall be accorded the same force and effect as the paper originals, (iii) agree that Investor is entitled to use such images in lieu of destroyed or archived originals for any purpose, including as admissible evidence in any demand, presentment or other proceedings, and (iv) further agree that any executed facsimile (faxed), scanned, emailed, or other imaged copy of this Agreement or any other Transaction Document shall be deemed to be of the same force and effect as the original manually executed document.

9.6. Headings. The headings of this Agreement are for convenience of reference only and shall not form part of, or affect the interpretation of, this Agreement.

9.7. Severability. In the event that any provision of this Agreement is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform to such statute or rule of law. Any provision hereof which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision hereof.

9.8. Entire Agreement. This Agreement, together with the other Transaction Documents, contains the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither Company nor Investor makes any representation, warranty, covenant or undertaking with respect to such matters. For the avoidance of doubt, all prior term sheets or other documents between Company and Investor, or any affiliate thereof, related to the transactions contemplated by the Transaction Documents (collectively, "**Prior Agreements**"), that may have been entered into between Company and Investor, or any affiliate thereof, are hereby null and void and deemed to be replaced in their entirety by the Transaction Documents. To the extent there is a conflict between any term set forth in any Prior Agreement and the term(s) of the Transaction Documents, the Transaction Documents shall govern.

9.9. No Reliance. Company acknowledges and agrees that neither Investor nor any of its officers, directors, members, managers, representatives or agents has made any representations or warranties to Company or any of its officers, directors, representatives, agents or employees except as expressly set forth in the Transaction Documents and, in making its decision to enter into the transactions contemplated by the Transaction

Documents, Company is not relying on any representation, warranty, covenant or promise of Investor or its officers, directors, members, managers, agents or representatives other than as set forth in the Transaction Documents.

9.10. Amendments. No provision of this Agreement may be waived or amended other than by an instrument in writing signed by both parties hereto.

9.11. Notices. Any notice required or permitted hereunder shall be given in writing (unless otherwise specified herein) and shall be deemed effectively given on the earliest of: (i) the date delivered, if delivered by personal delivery as against written receipt therefor or by email to an executive officer, or by facsimile (with successful transmission confirmation), (ii) the earlier of the date delivered or the third Trading Day after deposit, postage prepaid, in the United States Postal Service by certified mail, or (iii) the earlier of the date delivered or the third Trading Day after mailing by express courier, with delivery costs and fees prepaid, in each case, addressed to each of the other parties thereunto entitled at the following addresses (or at such other addresses as such party may designate by five (5) calendar days' advance written notice similarly given to each of the other parties hereto):

If to Company:

Marijuana Company of America, Inc.
Attn: Jesus Quintero
1340 West Valley Parkway, Suite 205
Escondido, California 92029

If to Investor:

St. George Investments LLC
Attn: John Fife
303 East Wacker Drive, Suite 1040
Chicago, Illinois 60601

With a copy to (which copy shall not constitute notice):

Hansen Black Anderson Ashcraft PLLC
Attn: Jonathan Hansen
3051 West Maple Loop Drive, Suite 325
Lehi, Utah 84043

9.12. Successors and Assigns. This Agreement or any of the severable rights and obligations inuring to the benefit of or to be performed by Investor hereunder may be assigned by Investor to a third party, including its affiliates, in whole or in part, without the need to obtain Company's consent thereto. Company may not assign its rights or obligations under this Agreement or delegate its duties hereunder without the prior written consent of Investor.

9.13. Survival. The representations and warranties of Company and the agreements and covenants set forth in this Agreement shall survive the Closing hereunder notwithstanding any due diligence investigation conducted by or on behalf of Investor. Company agrees to indemnify and hold harmless Investor and all its officers, directors, employees, attorneys, and agents for loss or damage arising as a result of or related to any breach or alleged breach by Company of any of its representations, warranties and covenants set forth in this Agreement or any of its covenants and obligations under this Agreement, including advancement of expenses as they are incurred.

9.14. Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

9.15. Investor's Rights and Remedies Cumulative; Liquidated Damages. All rights, remedies, and powers conferred in this Agreement and the Transaction Documents are cumulative and not exclusive of any other rights or remedies, and shall be in addition to every other right, power, and remedy that Investor may have, whether specifically granted in this Agreement or any other Transaction Document, or existing at law, in equity, or by statute, and any and all such rights and remedies may be exercised from time to time and as often and in such order as Investor may deem expedient. The parties acknowledge and agree that upon Company's failure to comply with the provisions of the Transaction Documents, Investor's damages would be uncertain and difficult (if not impossible) to accurately estimate because of the parties' inability to predict future interest rates and future share prices, Investor's increased risk, and the uncertainty of the availability of a suitable substitute investment opportunity for Investor, among other reasons. Accordingly, any fees, charges, and default interest due under the Note and the other Transaction Documents are intended by the parties to be, and shall be deemed, liquidated damages (under Company's and Investor's expectations that any such liquidated damages will tack back to the Closing Date for purposes of determining the holding period under Rule 144 under the 1933 Act). The parties agree that such liquidated damages are a reasonable estimate of Investor's actual damages and not a penalty, and shall not be deemed in any way to limit any other right or remedy Investor may have hereunder, at law or in equity. The parties acknowledge and agree that under the circumstances existing at the time this Agreement is entered into, such liquidated damages are fair and reasonable and are not penalties. All fees, charges, and default interest provided for in the Transaction Documents are agreed to by the parties to be based upon the obligations and the risks assumed by the parties as of the Closing Date and are consistent with investments of this type. The liquidated damages provisions of the Transaction Documents shall not limit or preclude a party from pursuing any other remedy available at law or in equity; *provided, however*, that the liquidated damages provided for in the Transaction Documents are intended to be in lieu of actual damages.

9.16. Ownership Limitation. Notwithstanding anything to the contrary contained in this Agreement or the other Transaction Documents, if at any time Investor would be issued shares of Common Stock under any of the Transaction Documents, but such issuance would cause Investor (together with its affiliates) to beneficially own a number of shares exceeding the Maximum Percentage (as defined in the Note), then Company must not issue to Investor the shares that would cause Investor to exceed the Maximum Percentage. The shares of Common Stock issuable to Investor that would cause the Maximum Percentage to be exceeded are referred to herein as the "**Ownership Limitation Shares**". Company shall reserve the Ownership Limitation Shares for the exclusive benefit of Investor. From time to time, Investor may notify Company in writing of the number of the Ownership Limitation Shares that may be issued to Investor without causing Investor to exceed the Maximum Percentage. Upon receipt of such notice, Company shall be unconditionally obligated to immediately issue such designated shares to Investor, with a corresponding reduction in the number of the Ownership Limitation Shares. For purposes of this Section, beneficial ownership of Common Stock will be determined under Section 13(d) of the 1934 Act.

9.17. Attorneys' Fees and Cost of Collection. In the event of any arbitration or action at law or in equity to enforce or interpret the terms of this Agreement or any of the other Transaction Documents, the parties agree that the party who is awarded the most money (which, for the avoidance of doubt, shall be determined without regard to any statutory fines, penalties, fees, or other charges awarded to any party) shall be deemed the prevailing party for all purposes and shall therefore be entitled to an additional award of the full amount of the attorneys' fees, deposition costs, and expenses paid by such prevailing party in connection with arbitration or litigation without reduction or apportionment based upon the individual claims or defenses giving rise to the fees and expenses. Nothing herein shall restrict or impair an arbitrator's or a court's power to award fees and expenses for frivolous or bad faith pleading. If (i) the Note is placed in the hands of an attorney for collection or enforcement prior to commencing arbitration or legal proceedings, or is collected or enforced through any arbitration or legal proceeding, or Investor otherwise takes action to collect amounts due under the Note or to enforce the provisions of the Note, or (ii) there occurs any bankruptcy, reorganization, receivership of Company or other proceedings affecting Company's creditors' rights and involving a claim under the Note; then Company shall pay the costs incurred by Investor for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other proceeding, including, without limitation, attorneys' fees, expenses, deposition costs, and disbursements.

9.18. Waiver. No waiver of any provision of this Agreement shall be effective unless it is in the form of a writing signed by the party granting the waiver. No waiver of any provision or consent to any prohibited action shall constitute a waiver of any other provision or consent to any other prohibited action, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent or commit a party to provide a waiver or consent in the future except to the extent specifically set forth in writing.

9.19. Waiver of Jury Trial. EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES ANY AND ALL RIGHTS SUCH PARTY MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT, OR THE RELATIONSHIPS OF THE PARTIES HERETO BE TRIED BY JURY. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING UNDER COMMON LAW OR ANY APPLICABLE STATUTE, LAW, RULE OR REGULATION. FURTHER, EACH PARTY HERETO ACKNOWLEDGES THAT SUCH PARTY IS KNOWINGLY AND VOLUNTARILY WAIVING SUCH PARTY'S RIGHT TO DEMAND TRIAL BY JURY.

9.20. Time is of the Essence. Time is expressly made of the essence with respect to each and every provision of this Agreement and the other Transaction Documents.

9.21. Voluntary Agreement. Company has carefully read this Agreement and each of the other Transaction Documents and has asked any questions needed for Company to understand the terms, consequences and binding effect of this Agreement and each of the other Transaction Documents and fully understand them. Company has had the opportunity to seek the advice of an attorney of Company's choosing, or has waived the right to do so, and is executing this Agreement and each of the other Transaction Documents voluntarily and without any duress or undue influence by Investor or anyone else.

[*Remainder of page intentionally left blank; signature page follows*]

IN WITNESS WHEREOF, the undersigned Investor and Company have caused this Agreement to be duly executed as of the date first above written.

SUBSCRIPTION AMOUNT:

Principal Amount of Note: $3,455,178.00

Cash Purchase Price: $1,100,000.00

INVESTOR:

St. George Investments LLC

By: Fife Trading, Inc., its Manager

By: _____
John M. Fife, President

COMPANY:

Marijuana Company of America, Inc.

By: _____
Printed Name:
Title:

[*Signature Page to Securities Purchase Agreement*]

ATTACHED EXHIBITS:

Exhibit	A	Note
Exhibit	B	SIGO Note 1
Exhibit	C	SIGO Note 2
Exhibit	D	Assignment
Exhibit	E	Irrevocable Transfer Agent Instructions
Exhibit	F	Secretary's Certificate
Exhibit	G	Share Issuance Resolution
Exhibit	H	Arbitration Provisions

EXHIBIT H

ARBITRATION PROVISIONS

1. Dispute Resolution. For purposes of this Exhibit H, the term "**Claims**" means any disputes, claims, demands, causes of action, requests for injunctive relief, requests for specific performance, liabilities, damages, losses, or controversies whatsoever arising from, related to, or connected with the transactions contemplated in the Transaction Documents and any communications between the parties related thereto, including without limitation any claims of mutual mistake, mistake, fraud, misrepresentation, failure of formation, failure of consideration, promissory estoppel, unconscionability, failure of condition precedent, rescission, and any statutory claims, tort claims, contract claims, or claims to void, invalidate or terminate the Agreement (or these Arbitration Provisions (defined below)) or any of the other Transaction Documents. The term "Claims" specifically excludes a dispute over Calculations. The parties to the Agreement (the "**parties**") hereby agree that the arbitration provisions set forth in this Exhibit H ("**Arbitration Provisions**") are binding on each of them. As a result, any attempt to rescind the Agreement (or these Arbitration Provisions) or declare the Agreement (or these Arbitration Provisions) or any other Transaction Document invalid or unenforceable for any reason is subject to these Arbitration Provisions. These Arbitration Provisions shall also survive any termination or expiration of the Agreement. Any capitalized term not defined in these Arbitration Provisions shall have the meaning set forth in the Agreement.

2. Arbitration. Except as otherwise provided herein, all Claims must be submitted to arbitration ("**Arbitration**") to be conducted exclusively in Salt Lake County, Utah and pursuant to the terms set forth in these Arbitration Provisions. Subject to the arbitration appeal right provided for in Paragraph 5 below (the "**Appeal Right**"), the parties agree that the award of the arbitrator rendered pursuant to Paragraph 4 below (the "**Arbitration Award**") shall be (a) final and binding upon the parties, (b) the sole and exclusive remedy between them regarding any Claims, counterclaims, issues, or accountings presented or pleaded to the arbitrator, and (c) promptly payable in United States dollars free of any tax, deduction or offset (with respect to monetary awards). Subject to the Appeal Right, any costs or fees, including without limitation attorneys' fees, incurred in connection with or incident to enforcing the Arbitration Award shall, to the maximum extent permitted by law, be charged against the party resisting such enforcement. The Arbitration Award shall include default interest (as defined or otherwise provided for in the Note, "**Default Interest**") (with respect to monetary awards) at the rate specified in the Note for Default Interest both before and after the Arbitration Award. Judgment upon the Arbitration Award will be entered and enforced by any state or federal court sitting in Salt Lake County, Utah.

3. The Arbitration Act. The parties hereby incorporate herein the provisions and procedures set forth in the Utah Uniform Arbitration Act, U.C.A. § 78B-11-101*et seq.* (as amended or superseded from time to time, the "**Arbitration Act**"). Notwithstanding the foregoing, pursuant to, and to the maximum extent permitted by, Section 105 of the Arbitration Act, in the event of conflict or variation between the terms of these Arbitration Provisions and the provisions of the Arbitration Act, the terms of these Arbitration Provisions shall control and the parties hereby waive or otherwise agree to vary the effect of all requirements of the Arbitration Act that may conflict with or vary from these Arbitration Provisions.

4. Arbitration Proceedings. Arbitration between the parties will be subject to the following:

4.1 *Initiation of Arbitration.* Pursuant to Section 110 of the Arbitration Act, the parties agree that a party may initiate Arbitration by giving written notice to the other party ("**Arbitration Notice**") in the same manner that notice is permitted under Section 9.11 of the Agreement; *provided, however*, that the Arbitration Notice may not be given by email or fax. Arbitration will be deemed initiated as of the date that the Arbitration Notice is deemed delivered to such other party under Section 9.11 of the Agreement (the "**Service Date**"). After the Service Date, information may be delivered, and notices may be given, by email or fax pursuant to Section 9.11 of the Agreement or any other method permitted thereunder. The Arbitration Notice must describe the nature of the controversy, the remedies sought, and the election to commence Arbitration proceedings. All Claims in the Arbitration Notice must be pleaded consistent with the Utah Rules of Civil Procedure.

4.2 *Selection and Payment of Arbitrator.*

(a) Within ten (10) calendar days after the Service Date, Investor shall select and submit to Company the names of three (3) arbitrators that are designated as "neutrals" or qualified arbitrators by Utah ADR Services (http://www.utahadrservices.com) (such three (3) designated persons hereunder are referred to herein as the "**Proposed Arbitrators**"). For the avoidance of doubt, each Proposed Arbitrator must be qualified as a "neutral" with Utah ADR Services. Within five (5) calendar days after Investor has submitted to Company the names of the Proposed Arbitrators, Company must select, by written notice to Investor, one (1) of the Proposed Arbitrators to act as the arbitrator for the parties under these Arbitration Provisions. If Company fails to select one of the Proposed Arbitrators in writing within such 5-day period, then Investor may select the arbitrator from the Proposed Arbitrators by providing written notice of such selection to Company.

(b) If Investor fails to submit to Company the Proposed Arbitrators within ten (10) calendar days after the Service Date pursuant to subparagraph (a) above, then Company may at any time prior to Investor so designating the Proposed Arbitrators, identify the names of three (3) arbitrators that are designated as "neutrals" or qualified arbitrators by Utah ADR Service by written notice to Investor. Investor may then, within five (5) calendar days after Company has submitted notice of its Proposed Arbitrators to Investor, select, by written notice to Company, one (1) of the Proposed Arbitrators to act as the arbitrator for the parties under these Arbitration Provisions. If Investor fails to select in writing and within such 5-day period one (1) of the three (3) Proposed Arbitrators selected by Company, then Company may select the arbitrator from its three (3) previously selected Proposed Arbitrators by providing written notice of such selection to Investor.

(c) If a Proposed Arbitrator chosen to serve as arbitrator declines or is otherwise unable to serve as arbitrator, then the party that selected such Proposed Arbitrator may select one (1) of the other three (3) Proposed Arbitrators within three (3) calendar days of the date the chosen Proposed Arbitrator declines or notifies the parties he or she is unable to serve as arbitrator. If all three (3) Proposed Arbitrators decline or are otherwise unable to serve as arbitrator, then the arbitrator selection process shall begin again in accordance with this Paragraph 4.2.

(d) The date that the Proposed Arbitrator selected pursuant to this Paragraph 4.2 agrees in writing (including via email) delivered to both parties to serve as the arbitrator hereunder is referred to herein as the "**Arbitration Commencement Date**". If an arbitrator resigns or is unable to act during the Arbitration, a replacement arbitrator shall be chosen in accordance with this Paragraph 4.2 to continue the Arbitration. If Utah ADR Services ceases to exist or to provide a list of neutrals and there is no successor thereto, then the arbitrator shall be selected under the then prevailing rules of the American Arbitration Association.

(e) Subject to Paragraph 4.10 below, the cost of the arbitrator must be paid equally by both parties. Subject to Paragraph 4.10 below, if one party refuses or fails to pay its portion of the arbitrator fee, then the other party can advance such unpaid amount (subject to the accrual of Default Interest thereupon), with such amount being added to or subtracted from, as applicable, the Arbitration Award.

4.3 *Applicability of Certain Utah Rules.* The parties agree that the Arbitration shall be conducted generally in accordance with the Utah Rules of Civil Procedure and the Utah Rules of Evidence. More specifically, the Utah Rules of Civil Procedure shall apply, without limitation, to the filing of any pleadings, motions or memoranda, the conducting of discovery, and the taking of any depositions. The Utah Rules of Evidence shall apply to any hearings, whether telephonic or in person, held by the arbitrator. Notwithstanding the foregoing, it is the parties' intent that the incorporation of such rules will in no event supersede these Arbitration Provisions. In the event of any conflict between the Utah Rules of Civil Procedure or the Utah Rules of Evidence and these Arbitration Provisions, these Arbitration Provisions shall control.

4.4 *Answer and Default*. An answer and any counterclaims to the Arbitration Notice shall be required to be delivered to the party initiating the Arbitration within twenty (20) calendar days after the Arbitration Commencement Date. If an answer is not delivered by the required deadline, the arbitrator must provide written notice to the defaulting party stating that the arbitrator will enter a default award against such party if such party does not file an answer within five (5) calendar days of receipt of such notice. If an answer is not filed within the five (5) day extension period, the arbitrator must render a default award, consistent with the relief requested in the Arbitration Notice, against a party that fails to submit an answer within such time period.

4.5 *Related Litigation*. The party that delivers the Arbitration Notice to the other party shall have the option to also commence concurrent legal proceedings with any state or federal court sitting in Salt Lake County, Utah ("**Litigation Proceedings**"), subject to the following: (a) the complaint in the Litigation Proceedings is to be substantially similar to the claims set forth in the Arbitration Notice, provided that an additional cause of action to compel arbitration will also be included therein, (b) so long as the other party files an answer to the complaint in the Litigation Proceedings and an answer to the Arbitration Notice, the Litigation Proceedings will be stayed pending an Arbitration Award (or Appeal Panel Award (defined below), as applicable) hereunder, (c) if the other party fails to file an answer in the Litigation Proceedings or an answer in the Arbitration proceedings, then the party initiating Arbitration shall be entitled to a default judgment consistent with the relief requested, to be entered in the Litigation Proceedings, and (d) any legal or procedural issue arising under the Arbitration Act that requires a decision of a court of competent jurisdiction may be determined in the Litigation Proceedings. Any award of the arbitrator (or of the Appeal Panel (defined below)) may be entered in such Litigation Proceedings pursuant to the Arbitration Act.

4.6 *Discovery*. Pursuant to Section 118(8) of the Arbitration Act, the parties agree that discovery shall be conducted as follows:

(a) Written discovery will only be allowed if the likely benefits of the proposed written discovery outweigh the burden or expense thereof, and the written discovery sought is likely to reveal information that will satisfy a specific element of a claim or defense already pleaded in the Arbitration. The party seeking written discovery shall always have the burden of showing that all of the standards and limitations set forth in these Arbitration Provisions are satisfied. The scope of discovery in the Arbitration proceedings shall also be limited as follows:

(i) To facts directly connected with the transactions contemplated by the Agreement.

(ii) To facts and information that cannot be obtained from another source or in another manner that is more convenient, less burdensome or less expensive than in the manner requested.

(b) No party shall be allowed (i) more than fifteen (15) interrogatories (including discrete subparts), (ii) more than fifteen (15) requests for admission (including discrete subparts), (iii) more than ten (10) document requests (including discrete subparts), or (iv) more than three (3) depositions (excluding expert depositions) for a maximum of seven (7) hours per deposition. The costs associated with depositions will be borne by the party taking the deposition. The party defending the deposition will submit a notice to the party taking the deposition of the estimated attorneys' fees that such party expects to incur in connection with defending the deposition. If the party defending the deposition fails to submit an estimate of attorneys' fees within five (5) calendar days of its receipt of a deposition notice, then such party shall be deemed to have waived its right to the estimated attorneys' fees. The party taking the deposition must pay the party defending the deposition the estimated attorneys' fees prior to taking the deposition, unless such obligation is deemed to be waived as set forth in the immediately preceding sentence. If the party taking the deposition believes that the estimated attorneys' fees are unreasonable, such party may submit the issue to the arbitrator for a decision. All depositions will be taken in Utah.

(c) All discovery requests (including document production requests included in deposition notices) must be submitted in writing to the arbitrator and the other party. The party submitting the written discovery requests must include with such discovery requests a detailed explanation of how the proposed discovery requests satisfy the requirements of these Arbitration Provisions and the Utah Rules of Civil Procedure. The receiving party will then be allowed, within five (5) calendar days of receiving the proposed discovery requests, to submit to the arbitrator an estimate of the attorneys' fees and costs associated with responding to such written discovery requests and a written challenge to each applicable discovery request. After receipt of an estimate of attorneys' fees and costs and/or challenge(s) to one or more discovery requests, consistent with subparagraph (c) above, the arbitrator will within three (3) calendar days make a finding as to the likely attorneys' fees and costs associated with responding to the discovery requests and issue an order that (i) requires the requesting party to prepay the attorneys' fees and costs associated with responding to the discovery requests, and (ii) requires the responding party to respond to the discovery requests as limited by the arbitrator within twenty-five (25) calendar days of the arbitrator's finding with respect to such discovery requests. If a party entitled to submit an estimate of attorneys' fees and costs and/or a challenge to discovery requests fails to do so within such 5-day period, the arbitrator will make a finding that (A) there are no attorneys' fees or costs associated with responding to such discovery requests, and (B) the responding party must respond to such discovery requests (as may be limited by the arbitrator) within twenty-five (25) calendar days of the arbitrator's finding with respect to such discovery requests. Any party submitting any written discovery requests, including without limitation interrogatories, requests for production subpoenas to a party or a third party, or requests for admissions, must prepay the estimated attorneys' fees and costs, before the responding party has any obligation to produce or respond to the same, unless such obligation is deemed waived as set forth above.

(d) In order to allow a written discovery request, the arbitrator must find that the discovery request satisfies the standards set forth in these Arbitration Provisions and the Utah Rules of Civil Procedure. The arbitrator must strictly enforce these standards. If a discovery request does not satisfy any of the standards set forth in these Arbitration Provisions or the Utah Rules of Civil Procedure, the arbitrator may modify such discovery request to satisfy the applicable standards, or strike such discovery request in whole or in part.

(e) Each party may submit expert reports (and rebuttals thereto), provided that such reports must be submitted within sixty (60) days of the Arbitration Commencement Date. Each party will be allowed a maximum of two (2) experts. Expert reports must contain the following: (i) a complete statement of all opinions the expert will offer at trial and the basis and reasons for them; (ii) the expert's name and qualifications, including a list of all the expert's publications within the preceding ten (10) years, and a list of any other cases in which the expert has testified at trial or in a deposition or prepared a report within the preceding ten (10) years; and (iii) the compensation to be paid for the expert's report and testimony. The parties are entitled to depose any other party's expert witness one (1) time for no more than four (4) hours. An expert may not testify in a party's case-in-chief concerning any matter not fairly disclosed in the expert report.

4.6 *Dispositive Motions*. Each party shall have the right to submit dispositive motions pursuant Rule 12 or Rule 56 of the Utah Rules of Civil Procedure (a '**Dispositive Motion**"). The party submitting the Dispositive Motion may, but is not required to, deliver to the arbitrator and to the other party a memorandum in support (the "**Memorandum in Support**") of the Dispositive Motion. Within seven (7) calendar days of delivery of the Memorandum in Support, the other party shall deliver to the arbitrator and to the other party a memorandum in opposition to the Memorandum in Support (the "**Memorandum in Opposition**"). Within seven (7) calendar days of delivery of the Memorandum in Opposition, as applicable, the party that submitted the Memorandum in Support shall deliver to the arbitrator and to the other party a reply memorandum to the Memorandum in Opposition ("**Reply Memorandum**"). If the applicable party shall fail to deliver the Memorandum in Opposition as required above, or if the other party fails to deliver the Reply Memorandum as required above, then the applicable party shall lose its right to so deliver the same, and the Dispositive Motion shall proceed regardless.

4.7 *Confidentiality*. All information disclosed by either party (or such party's agents) during the Arbitration process (including without limitation information disclosed during the discovery process or any Appeal (defined below)) shall be considered confidential in nature. Each party agrees not to disclose any confidential information received from the other party (or its agents) during the Arbitration process (including without limitation during the discovery process or any Appeal) unless (a) prior to or after the time of disclosure such information becomes public knowledge or part of the public domain, not as a result of any inaction or action of the receiving party or its agents, (b) such information is required by a court order, subpoena or similar legal duress to be disclosed if such receiving party has notified the other party thereof in writing and given it a reasonable opportunity to obtain a protective order from a court of competent jurisdiction prior to disclosure, or (c) such information is disclosed to the receiving party's agents, representatives and legal counsel on a need to know basis who each agree in writing not to disclose such information to any third party. Pursuant to Section 118(5) of the Arbitration Act, the arbitrator is hereby authorized and directed to issue a protective order to prevent the disclosure of privileged information and confidential information upon the written request of either party.

4.8 *Authorization; Timing; Scheduling Order*. Subject to all other portions of these Arbitration Provisions, the parties hereby authorize and direct the arbitrator to take such actions and make such rulings as may be necessary to carry out the parties' intent for the Arbitration proceedings to be efficient and expeditious. Pursuant to Section 120 of the Arbitration Act, the parties hereby agree that an Arbitration Award must be made within one hundred twenty (120) calendar days after the Arbitration Commencement Date. The arbitrator is hereby authorized and directed to hold a scheduling conference within ten (10) calendar days after the Arbitration Commencement Date in order to establish a scheduling order with various binding deadlines for discovery, expert testimony, and the submission of documents by the parties to enable the arbitrator to render a decision prior to the end of such 120-day period.

4.9 *Relief*. The arbitrator shall have the right to award or include in the Arbitration Award (or in a preliminary ruling) any relief which the arbitrator deems proper under the circumstances, including, without limitation, specific performance and injunctive relief, provided that the arbitrator may not award exemplary or punitive damages.

4.10 *Fees and Costs*. As part of the Arbitration Award, the arbitrator is hereby directed to require the losing party (the party being awarded the least amount of money by the arbitrator, which, for the avoidance of doubt, shall be determined without regard to any statutory fines, penalties, fees, or other charges awarded to any party) to (a) pay the full amount of any unpaid costs and fees of the Arbitration, and (b) reimburse the prevailing party for all reasonable attorneys' fees, arbitrator costs and fees, deposition costs, other discovery costs, and other expenses, costs or fees paid or otherwise incurred by the prevailing party in connection with the Arbitration.

5. Arbitration Appeal.

5.1 *Initiation of Appeal*. Following the entry of the Arbitration Award, either party (the " **Appellant**") shall have a period of thirty (30) calendar days in which to notify the other party (the "**Appellee**"), in writing, that the Appellant elects to appeal (the "**Appeal**") the Arbitration Award (such notice, an "**Appeal Notice**") to a panel of arbitrators as provided in Paragraph 5.2 below. The date the Appellant delivers an Appeal Notice to the Appellee is referred to herein as the " **Appeal Date**". The Appeal Notice must be delivered to the Appellee in accordance with the provisions of Paragraph 4.1 above with respect to delivery of an Arbitration Notice. In addition, together with delivery of the Appeal Notice to the Appellee, the Appellant must also pay for (and provide proof of such payment to the Appellee together with delivery of the Appeal Notice) a bond in the amount of 110% of the sum the Appellant owes to the Appellee as a result of the Arbitration Award the Appellant is appealing. In the event an Appellant delivers an Appeal Notice to the Appellee (together with proof of payment of the applicable bond) in compliance with the provisions of this Paragraph 5.1, the Appeal will occur as a matter of right and, except as specifically set forth herein, will not be further conditioned. In the event a party does not deliver an Appeal Notice (along with proof of payment of the applicable bond) to the other party within the deadline prescribed in this Paragraph 5.1, such party shall lose its right to appeal the Arbitration Award. If no party delivers an Appeal Notice (along with proof of payment of the applicable bond) to the other party within the deadline described in this Paragraph 5.1, the Arbitration Award shall be final. The parties acknowledge and agree that any Appeal shall be deemed part of the parties' agreement to arbitrate for purposes of these Arbitration Provisions and the Arbitration Act.

5.2 *Selection and Payment of Appeal Panel*. In the event an Appellant delivers an Appeal Notice to the Appellee (together with proof of payment of the applicable bond) in compliance with the provisions of Paragraph 5.1 above, the Appeal will be heard by a three (3) person arbitration panel (the "**Appeal Panel**").

(a) Within ten (10) calendar days after the Appeal Date, the Appellee shall select and submit to the Appellant the names of five (5) arbitrators that are designated as "neutrals" or qualified arbitrators by Utah ADR Services (http://www.utahadrservices.com) (such five (5) designated persons hereunder are referred to herein as the " **Proposed Appeal Arbitrators**"). For the avoidance of doubt, each Proposed Appeal Arbitrator must be qualified as a "neutral" with Utah ADR Services, and shall not be the arbitrator who rendered the Arbitration Award being appealed (the " **Original Arbitrator**"). Within five (5) calendar days after the Appellee has submitted to the Appellant the names of the Proposed Appeal Arbitrators, the Appellant must select, by written notice to the Appellee, three (3) of the Proposed Appeal Arbitrators to act as the members of the Appeal Panel. If the Appellant fails to select three (3) of the Proposed Appeal Arbitrators in writing within such 5-day period, then the Appellee may select such three (3) arbitrators from the Proposed Appeal Arbitrators by providing written notice of such selection to the Appellant.

(b) If the Appellee fails to submit to the Appellant the names of the Proposed Appeal Arbitrators within ten (10) calendar days after the Appeal Date pursuant to subparagraph (a) above, then the Appellant may at any time prior to the Appellee so designating the Proposed Appeal Arbitrators, identify the names of five (5) arbitrators that are designated as "neutrals" or qualified arbitrators by Utah ADR Service (none of whom may be the Original Arbitrator) by written notice to the Appellee. The Appellee may then, within five (5) calendar days after the Appellant has submitted notice of its selected arbitrators to the Appellee, select, by written notice to the Appellant, three (3) of such selected arbitrators to serve on the Appeal Panel. If the Appellee fails to select in writing within such 5-day period three (3) of the arbitrators selected by the Appellant to serve as the members of the Appeal Panel, then the Appellant may select the three (3) members of the Appeal Panel from the Appellant's list of five (5) arbitrators by providing written notice of such selection to the Appellee.

(c) If a selected Proposed Appeal Arbitrator declines or is otherwise unable to serve, then the party that selected such Proposed Appeal Arbitrator may select one (1) of the other five (5) designated Proposed Appeal Arbitrators within three (3) calendar days of the date a chosen Proposed Appeal Arbitrator declines or notifies the parties he or she is unable to serve as an arbitrator. If at least three (3) of the five (5) designated Proposed Appeal Arbitrators decline or are otherwise unable to serve, then the Proposed Appeal Arbitrator selection process shall begin again in accordance with this Paragraph 5.2; *provided, however*, that any Proposed Appeal Arbitrators who have already agreed to serve shall remain on the Appeal Panel.

(d) The date that all three (3) Proposed Appeal Arbitrators selected pursuant to this Paragraph 5.2 agree in writing (including via email) delivered to both the Appellant and

the Appellee to serve as members of the Appeal Panel hereunder is referred to herein as the "**Appeal Commencement Date**". No later than five (5) calendar days after the Appeal Commencement Date, the Appellee shall designate in writing (including via email) to the Appellant and the Appeal Panel the name of one (1) of the three (3) members of the Appeal Panel to serve as the lead arbitrator in the Appeal proceedings. Each member of the Appeal Panel shall be deemed an arbitrator for purposes of these Arbitration Provisions and the Arbitration Act, provided that, in conducting the Appeal, the Appeal Panel may only act or make determinations upon the approval or vote of no less than the majority vote of its members, as announced or communicated by the lead arbitrator on the Appeal Panel. If an arbitrator on the Appeal Panel ceases or is unable to act during the Appeal proceedings, a replacement arbitrator shall be chosen in accordance with Paragraph 5.2 above to continue the Appeal as a member of the Appeal Panel. If Utah ADR Services ceases to exist or to provide a list of neutrals, then the arbitrators for the Appeal Panel shall be selected under the then prevailing rules of the American Arbitration Association.

(d) Subject to Paragraph 5.7 below, the cost of the Appeal Panel must be paid entirely by the Appellant.

5.3 *Appeal Procedure.* The Appeal will be deemed an appeal of the entire Arbitration Award. In conducting the Appeal, the Appeal Panel shall conduct a de novo review of all Claims described or otherwise set forth in the Arbitration Notice. Subject to the foregoing and all other provisions of this Paragraph 5, the Appeal Panel shall conduct the Appeal in a manner the Appeal Panel considers appropriate for a fair and expeditious disposition of the Appeal, may hold one or more hearings and permit oral argument, and may review all previous evidence and discovery, together with all briefs, pleadings and other documents filed with the Original Arbitrator (as well as any documents filed with the Appeal Panel pursuant to Paragraph 5.4(a) below). Notwithstanding the foregoing, in connection with the Appeal, the Appeal Panel shall not permit the parties to conduct any additional discovery or raise any new Claims to be arbitrated, shall not permit new witnesses or affidavits, and shall not base any of its findings or determinations on the Original Arbitrator's findings or the Arbitration Award.

5.4 *Timing.*

(a) Within seven (7) calendar days of the Appeal Commencement Date, the Appellant (i) shall deliver or cause to be delivered to the Appeal Panel copies of the Appeal Notice, all discovery conducted in connection with the Arbitration, and all briefs, pleadings and other documents filed with the Original Arbitrator (which material Appellee shall have the right to review and supplement if necessary), and (ii) may, but is not required to, deliver to the Appeal Panel and to the Appellee a Memorandum in Support of the Appellant's arguments concerning or position with respect to all Claims, counterclaims, issues, or accountings presented or pleaded in the Arbitration. Within seven (7) calendar days of the Appellant's delivery of the Memorandum in Support, as applicable, the Appellee shall deliver to the Appeal Panel and to the Appellant a Memorandum in Opposition to the Memorandum in Support. Within seven (7) calendar days of the Appellee's delivery of the Memorandum in Opposition, as applicable, the Appellant shall deliver to the Appeal Panel and to the Appellee a Reply Memorandum to the Memorandum in Opposition. If the Appellant shall fail to substantially comply with the requirements of clause (i) of this subparagraph (a), the Appellant shall lose its right to appeal the Arbitration Award, and the Arbitration Award shall be final. If the Appellee shall fail to deliver the Memorandum in Opposition as required above, or if the Appellant shall fail to deliver the Reply Memorandum as required above, then the Appellee or the Appellant, as the case may be, shall lose its right to so deliver the same, and the Appeal shall proceed regardless.

(b) Subject to subparagraph (a) above, the parties hereby agree that the Appeal must be heard by the Appeal Panel within thirty (30) calendar days of the Appeal Commencement Date, and that the Appeal Panel must render its decision within thirty (30) calendar days after the Appeal is heard (and in no event later than sixty (60) calendar days after the Appeal Commencement Date).

5.5 *Appeal Panel Award.* The Appeal Panel shall issue its decision (the "**Appeal Panel Award**") through the lead arbitrator on the Appeal Panel. Notwithstanding any other provision contained herein, the Appeal Panel Award shall (a) supersede in its entirety and make of no further force or effect the Arbitration Award (provided that any protective orders issued by the Original Arbitrator shall remain in full force and effect), (b) be final and binding upon the parties, with no further rights of appeal, (c) be the sole and exclusive remedy between the parties regarding any Claims, counterclaims, issues, or accountings presented or pleaded in the Arbitration, and (d) be promptly payable in United States dollars free of any tax, deduction or offset (with respect to monetary awards). Any costs or fees, including without limitation attorneys' fees, incurred in connection with or incident to enforcing the Appeal Panel Award shall, to the maximum extent permitted by law, be charged against the party resisting such enforcement. The Appeal Panel Award shall include Default Interest (with respect to monetary awards) at the rate specified in the Note for Default Interest both before and after the Arbitration Award. Judgment upon the Appeal Panel Award will be entered and enforced by a state or federal court sitting in Salt Lake County, Utah.

5.6 *Relief.* The Appeal Panel shall have the right to award or include in the Appeal Panel Award any relief which the Appeal Panel deems proper under the circumstances, including, without limitation, specific performance and injunctive relief, provided that the Appeal Panel may not award exemplary or punitive damages.

5.7 *Fees and Costs.* As part of the Appeal Panel Award, the Appeal Panel is hereby directed to require the losing party (the party being awarded the least amount of money by the arbitrator, which, for the avoidance of doubt, shall be determined without regard to any statutory fines, penalties, fees, or other charges awarded to any party) to (a) pay the full amount of any unpaid costs and fees of the Arbitration and the Appeal Panel, and (b) reimburse the prevailing party (the party being awarded the most amount of money by the Appeal Panel, which, for the avoidance of doubt, shall be determined without regard to any statutory fines, penalties, fees, or other charges awarded to any part) the reasonable attorneys' fees, arbitrator and Appeal Panel costs and fees, deposition costs, other discovery costs, and other expenses, costs or fees paid or otherwise incurred by the prevailing party in connection with the Arbitration (including without limitation in connection with the Appeal).

6. Miscellaneous.

6.1 *Severability.* If any part of these Arbitration Provisions is found to violate or be illegal under applicable law, then such provision shall be modified to the minimum extent necessary to make such provision enforceable under applicable law, and the remainder of the Arbitration Provisions shall remain unaffected and in full force and effect.

6.2 *Governing Law*. These Arbitration Provisions shall be governed by the laws of the State of Utah without regard to the conflict of laws principles therein.

6.3 *Interpretation*. The headings of these Arbitration Provisions are for convenience of reference only and shall not form part of, or affect the interpretation of, these Arbitration Provisions.

6.4 *Waiver*. No waiver of any provision of these Arbitration Provisions shall be effective unless it is in the form of a writing signed by the party granting the waiver.

6.5 *Time is of the Essence.* Time is expressly made of the essence with respect to each and every provision of these Arbitration Provisions.

[*Remainder of page intentionally left blank*]

EXHIBIT 10.6

CONVERTIBLE PROMISSORY NOTE

Effective Date: September __, 2021 U.S. $3,455,178.00

FOR VALUE RECEIVED, Marijuana Company of America, Inc., a Utah corporation ("**Borrower**"), promises to pay to St. George Investments LLC, a Utah limited liability company, or its successors or assigns ("**Lender**"), $3,455,178.00 and any interest, fees, charges, and late fees on the date that is twenty-four (24) months after the Purchase Price Date (the "**Maturity Date**") in accordance with the terms set forth herein and to pay interest on the Outstanding Balance at the rate of eight percent (8%) per annum from the Purchase Price Date until the same is paid in full. This Convertible Promissory Note (this "**Note**") is issued and made effective as of September __, 2021 (the "**Effective Date**"). This Note is issued pursuant to that certain Securities Purchase Agreement dated September __, 2021, as the same may be amended from time to time, by and between Borrower and Lender (the "**Purchase Agreement**"). All interest calculations hereunder shall be computed on the basis of a 360-day year comprised of twelve (12) thirty (30) day months, shall compound daily and shall be payable in accordance with the terms of this Note. Certain capitalized terms used herein are defined in Attachment 1 attached hereto and incorporated herein by this reference.

This Note carries an OID of $574,196.00. In addition, Borrower agrees to pay $10,000.00 to Lender to cover Lender's legal fees, accounting costs, due diligence, monitoring and other transaction costs incurred in connection with the purchase and sale of this Note (the "**Transaction Expense Amount**"), all of which amount is included in the initial principal balance of this Note. The purchase price for this Note shall be $2,870,982.00 (the "**Purchase Price**"), computed as follows: $3,455,178.00 original principal balance, less the OID, less the Transaction Expense Amount. The Purchase Price shall be payable by delivery to Borrower at Closing of a wire transfer of immediately available funds in the amount of the Cash Purchase Price (as defined in the Purchase Agreement) and transfer to Borrower of the SIGO Notes (as defined in the Purchase Agreement)

1. Payment; Prepayment.

1.1. Payment. All payments owing hereunder shall be in lawful money of the United States of America or Conversion Shares (as defined below), as provided for herein, and delivered to Lender at the address or bank account furnished to Borrower for that purpose. All payments shall be applied first to (a) costs of collection, if any, then to (b) fees and charges, if any, then to (c) accrued and unpaid interest, and thereafter, to (d) principal.

1.2. Prepayment. Notwithstanding the foregoing, so long as Borrower has not received a Conversion Notice (as defined below) from Lender where the applicable Conversion Shares have not yet been delivered and so long as no Event of Default has occurred since the Effective Date (whether declared by Lender or undeclared and regardless of whether or not cured), then Borrower shall have the right, by providing prior written notice to Lender to prepay all or any portion of the Outstanding Balance of this Note in accordance with this Section 1.2; *provided, however*, that notwithstanding anything to the contrary herein, following its receipt of any Optional Prepayment Notice (as defined below), Lender shall have a period of twenty (20) Trading Days in which it may elect to undertake a Conversion (as defined below) in accordance with the provisions of Section 3 below. Only if Lender fails to exercise such option during such twenty (20) Trading Day period, may Borrower then prepay this Note in accordance with the terms of this Section 1.2. Any notice of prepayment hereunder (an "**Optional Prepayment Notice**") shall be delivered

---

to Lender at its registered address and shall state: (i) that Borrower is exercising its right to prepay this Note, and (ii) the date of prepayment, which shall be not less than twenty-one (21) Trading Days from the date of the Optional Prepayment Notice. On the date fixed for prepayment (the "**Optional Prepayment Date**"), Borrower shall make payment of the Optional Prepayment Amount (as defined below), less any portion thereof converted by Lender as set forth above prior to the Optional Prepayment Date, to or upon the order of Lender as may be specified by Lender in writing to Borrower. If Borrower exercises its right to prepay this Note, Borrower shall make payment to Lender of an amount in cash equal to 110% (the "**Prepayment Premium**") multiplied by the then Outstanding Balance of this Note (the "**Optional Prepayment Amount**").

2. Security. This Note is unsecured.

3. Lender Optional Conversion.

3.1. Conversions. Lender has the right at any time after the Purchase Price Date until the Outstanding Balance has been paid in full, at its election, to convert (each instance of conversion is referred to herein as a "**Conversion**") all or any part of the Outstanding Balance into shares ("**Conversion Shares**") of fully paid and non-assessable common stock, $0.001 par value per share ("**Common Stock**"), of Borrower as per the following conversion formula: the number of Conversion Shares equals the amount being converted (the "**Conversion Amount**") divided by the Conversion Price. Conversion notices in the form attached hereto as Exhibit A (each, a "**Conversion Notice**") may be effectively delivered to Borrower by any method of Lender's choice (including but not limited to facsimile, email, mail, overnight courier, or personal delivery), and all Conversions shall be cashless and not require further payment from Lender. Borrower shall deliver the Conversion Shares from any Conversion to Lender in accordance with Section 9 below.

3.2. Sales Limitation. Lender agrees that so long as no Event of Default has occurred under this Note, it will not sell Conversion Shares on the open market in any given calendar week that exceed 12.5% of the weekly share trading volume for the Common Stock for any such week. For illustration purposes only, if the Common Stock had a weekly trading volume of 10,000,000 shares in a given calendar week, Lender could only sell 1,250,000 shares of Common Stock during such calendar week. Borrower's sole and exclusive remedy in the event of the breach by Lender of the foregoing volume limitation shall be to be reduce the Outstanding Balance by the amount Lender sold that exceeded the volume limitation.

4. Defaults and Remedies.

4.1. Defaults. The following are events of default under this Note (each, an "**Event of Default**"): (a) Borrower fails to pay any principal, interest, fees, charges, or any other amount when due and payable hereunder; (b) Borrower fails to deliver any Conversion Shares in accordance with the terms hereof; (c) a receiver, trustee or other similar official shall be appointed over Borrower or a material part of its assets and such appointment shall remain uncontested for twenty (20) days or shall not be dismissed or discharged within sixty (60) days; (d) Borrower becomes insolvent or generally fails to pay, or admits in writing its inability to pay, its debts as they become due, subject to applicable grace periods, if any; (e) Borrower makes a general assignment for the benefit of creditors; (f) Borrower files a petition for relief under any bankruptcy, insolvency or similar law (domestic or foreign); (g) an involuntary bankruptcy proceeding is commenced or filed against Borrower; (h) Borrower defaults or otherwise fails to observe or perform any covenant, obligation, condition or agreement of Borrower contained herein or in any other Transaction Document, other than those specifically set forth in this Section 4.1 and Section 4 of the Purchase Agreement; (i) any representation, warranty or other statement made or furnished by or on behalf of Borrower to Lender herein, in any Transaction Document, or otherwise in connection with the issuance of this Note is false, incorrect, incomplete or misleading in any material respect when made or furnished; (j) the occurrence of a Fundamental Transaction without Lender's prior written consent; (k) Borrower fails

to establish and/or maintain the Share Reserve as required under the Purchase Agreement; 4.2. Borrower effectuates a reverse split of its Common Stock without twenty (20) Trading Days prior written notice to Lender; 4.3. any money judgment, writ or similar process is entered or filed against Borrower or any subsidiary of Borrower or any of its property or other assets for more than $100,000.00, and shall remain unvacated, unbonded or unstayed for a period of twenty (20) calendar days unless otherwise consented to by Lender; 4.4. Borrower fails to be DWAC Eligible; 4.5. Borrower fails to observe or perform any covenant set forth in Section 4 of the Purchase Agreement, or 4.6. Borrower breaches any covenant or other term or condition contained in any Other Agreements.

4.7. Remedies. At any time and from time to time after Lender becomes aware of the occurrence of any Event of Default, Lender may accelerate this Note by written notice to Borrower, with the Outstanding Balance becoming immediately due and payable in cash at the Mandatory Default Amount. Notwithstanding the foregoing, at any time following the occurrence of any Event of Default, Lender may, at its option, elect to increase the Outstanding Balance by applying the Default Effect (subject to the limitation set forth below) via written notice to Borrower without accelerating the Outstanding Balance, in which event the Outstanding Balance shall be increased as of the date of the occurrence of the applicable Event of Default pursuant to the Default Effect, but the Outstanding Balance shall not be immediately due and payable unless so declared by Lender (for the avoidance of doubt, if Lender elects to apply the Default Effect pursuant to this sentence, it shall reserve the right to declare the Outstanding Balance immediately due and payable at any time and no such election by Lender shall be deemed to be a waiver of its right to declare the Outstanding Balance immediately due and payable as set forth herein unless otherwise agreed to by Lender in writing). Notwithstanding the foregoing, upon the occurrence of any Event of Default described in clauses (d), (e), (f), (g) or (h) of Section 4.1, the Outstanding Balance as of the date of acceleration shall become immediately and automatically due and payable in cash at the Mandatory Default Amount, without any written notice required by Lender. At any time following the occurrence of any Event of Default, upon written notice given by Lender to Borrower, interest shall accrue on the Outstanding Balance beginning on the date the applicable Event of Default occurred at an interest rate equal to the lesser of 22% per annum or the maximum rate permitted under applicable law ("**Default Interest**"). For the avoidance of doubt, Lender may continue making Conversions at any time following an Event of Default until such time as the Outstanding Balance is paid in full. Borrower further acknowledges and agrees that Lender may continue making Conversions following the entry of any judgment or arbitration award in favor of Lender until such time that the entire judgment amount or arbitration award is paid in full. In connection with acceleration described herein, Lender need not provide, and Borrower hereby waives, any presentment, demand, protest or other notice of any kind, and Lender may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such acceleration may be rescinded and annulled by Lender at any time prior to payment hereunder and Lender shall have all rights as a holder of the Note until such time, if any, as Lender receives full payment pursuant to this Section 4.2. No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon. Nothing herein shall limit Lender's right to pursue any other remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to Borrower's failure to timely deliver Conversion Shares upon Conversion of the Notes as required pursuant to the terms hereof.

5. Unconditional Obligation; No Offset. Borrower acknowledges that this Note is an unconditional, valid, binding and enforceable obligation of Borrower not subject to offset, deduction or counterclaim of any kind. Borrower hereby waives any rights of offset it now has or may have hereafter against Lender, its successors and assigns, and agrees to make the payments or Conversions called for herein in accordance with the terms of this Note. Notwithstanding the foregoing, any sale, assignment, hypothecation or other transfer of the Note or a portion of the Note where in return Lender receives consideration, the value of the consideration received by Lender will offset any amounts owed by Borrower as of the date the consideration is received by Lender.

6. Waiver. No waiver of any provision of this Note shall be effective unless it is in the form of a writing signed by the party granting the waiver. No waiver of any provision or consent to any prohibited action shall constitute a waiver of any other provision or consent to any other prohibited action, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent or commit a party to provide a waiver or consent in the future except to the extent specifically set forth in writing.

7. Rights Upon Issuance of Securities.

7.1. Subsequent Equity Sales. Except with respect to Excluded Securities, if Borrower or any subsidiary thereof, as applicable, at

any time this Note is outstanding, shall sell, issue or grant any Common Stock, option to purchase Common Stock, right to reprice, preferred shares convertible into Common Stock, or debt, warrants, options or other instruments or securities to Lender or any third party which are convertible into or exercisable or exchangeable for shares of Common Stock (collectively, the "**Equity Securities**"), including without limitation any Deemed Issuance, at an effective price per share less than the then effective Conversion Price (such issuance is referred to herein as a "**Dilutive Issuance**"), then, the Conversion Price shall be automatically reduced and only reduced to equal such lower effective price per share. If the holder of any Equity Securities so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options, or rights per share which are issued in connection with such Dilutive Issuance, be entitled to receive shares of Common Stock at an effective price per share that is less than the Conversion Price, such issuance shall be deemed to have occurred for less than the Conversion Price on the date of such Dilutive Issuance, and the then effective Conversion Price shall be reduced and only reduced to equal such lower effective price per share. Such adjustments described above to the Conversion Price shall be permanent (subject to additional adjustments under this section), and shall be made whenever such Equity Securities are issued. Borrower shall notify Lender, in writing, no later than the Trading Day following the issuance of any Equity Securities subject to this Section 7.1, indicating therein the applicable issuance price, or applicable reset price, exchange price, conversion price, or other pricing terms (such notice, the "**Dilutive Issuance Notice**"). For purposes of clarity, whether or not Borrower provides a Dilutive Issuance Notice pursuant to this Section 7.1, upon the occurrence of any Dilutive Issuance, on the date of such Dilutive Issuance the Conversion Price shall be lowered to equal the applicable effective price per share regardless of whether Borrower or Lender accurately refers to such lower effective price per share in any Conversion Notice.

7.2. Adjustment of Conversion Price upon Subdivision or Combination of Common Stock. Without limiting any provision hereof, if Borrower at any time on or after the Effective Date subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the Conversion Price in effect immediately prior to such subdivision will be proportionately reduced. Without limiting any provision hereof, if Borrower at any time on or after the Effective Date combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the Conversion Price in effect immediately prior to such combination will be proportionately increased. Any adjustment pursuant to this Section 7.2 shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this Section 7.2 occurs during the period that a Conversion Price is calculated hereunder, then the calculation of such Conversion Price shall be adjusted appropriately to reflect such event.

7.3. Other Events. In the event that Borrower (or any subsidiary) shall take any action to which the provisions hereof are not strictly applicable, or, if applicable, would not operate to protect Lender from dilution or if any event occurs of the type contemplated by the provisions of this Section 7 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features), then Borrower's board of directors shall in good faith determine and implement an appropriate adjustment in the Conversion Price so as to protect the rights of Lender, provided that no such adjustment pursuant to this Section 7.3 will increase the Conversion Price as otherwise determined pursuant to this Section 7, provided further that if Lender does not accept such adjustments as appropriately protecting its interests hereunder against such dilution, then Borrower's board of directors and Lender shall agree, in good faith, upon an independent investment bank of nationally recognized standing to make such appropriate adjustments, whose determination shall be final and binding and whose fees and expenses shall be borne by Borrower.

8. Borrower Redemptions. Beginning on the date that is six (6) months from the Purchase Price Date and at any time thereafter until this Note is paid in full, Lender shall have the right to redeem up to the Maximum Monthly Redemption Amount per month (the amount of each exercise, the "**Redemption Amount**") by providing written notice (each, a "**Redemption Notice**") in substantially the form attached hereto as Exhibit B delivered to Borrower by facsimile, email, mail, overnight courier, or personal delivery. Upon receipt of any Redemption Notice, Borrower shall pay the applicable Redemption Amount in cash to Lender within three (3) Trading Days of Borrower's receipt of such Redemption Notice.

9. Method of Conversion Share Delivery. On or before the close of business on the third (3rd) Trading Day following the date of delivery of a Conversion Notice, as applicable (the "**Delivery Date**"), Borrower shall, provided it is DWAC Eligible at such time, deliver or cause its transfer agent to deliver the applicable Conversion Shares electronically via DWAC to the account designated by Lender in the applicable Conversion Notice. If Borrower is not DWAC Eligible, it shall deliver to Lender or its broker (as designated in the Conversion Notice), via reputable overnight courier, a certificate representing the number of shares of Common Stock equal to the number of Conversion Shares to which Lender shall be entitled, registered in the name of Lender or its designee. For the avoidance of doubt, Borrower has not met its obligation to deliver Conversion Shares by the Delivery Date unless Lender or its broker, as applicable, has actually received the certificate representing the applicable Conversion Shares no later than the close of business on the relevant Delivery Date pursuant to the terms set forth above. Moreover, and notwithstanding anything to the contrary herein or in any other Transaction Document, in the event Borrower or its transfer agent refuses to deliver any Conversion Shares to Lender on grounds that such issuance is in violation of Rule 144 under the Securities Act of 1933, as amended ("**Rule 144**"), Borrower shall deliver or cause its transfer agent to deliver the applicable Conversion Shares to Lender with a restricted securities legend, but otherwise in accordance with the provisions of this Section 8.1. In conjunction therewith, Borrower will also deliver to Lender a written opinion from its counsel or its transfer agent's counsel opining as to why the issuance of the applicable Conversion Shares violates Rule 144.

10. Conversion Delays. If Borrower fails to deliver Conversion Shares in accordance with the timeframe stated in Section 9, Lender may at any time prior to receiving the applicable Conversion Shares rescind in whole or in part such Conversion, with a corresponding increase to the Outstanding Balance (any returned amount will tack back to the Purchase Price Date for purposes of determining the holding period under Rule 144). In addition, for each Conversion, in the event that Conversion Shares are not delivered by the Delivery Date (inclusive of the day of the Conversion), a late fee equal to 2% of the applicable Conversion Share Value rounded to the nearest multiple of $100.00 but with a floor of $500.00 per day (but in any event the cumulative amount of such late fees for each Conversion shall not exceed 200% of the applicable Conversion Share Value) will be assessed for each day after the Delivery Date (inclusive of the day of the Conversion) until Conversion Share delivery is made; and such late fee will be added to the Outstanding Balance (such fees, the "**Conversion Delay Late Fees**").

11. Restriction on Equity Sales. If at any time after the date that is six (6) months from the Purchase Price Date, Borrower is unable to issue Common Stock to Lender as result of any lock-up or other agreement or restriction prohibiting the issuance of Common Stock for a certain period of time, then the Outstanding Balance will automatically be increased by three percent (3%) for each thirty (30) day period that Borrower is prohibited from issuing Common Stock (which increase shall be pro-rated for any partial period). For the avoidance of doubt, such increase to the Outstanding Balance shall be in addition to all other rights and remedies available to Lender under this Note and the other Transaction Documents and shall not be in lieu of, nor deemed to be a waiver of any other rights or remedies available to Lender under this Note or any of the other Transaction Documents, including without limitation calling an Event of Default if Borrower fails to deliver Conversion Shares in accordance with the terms of this Note.

12. Ownership Limitation. Notwithstanding anything to the contrary contained in this Note or the other Transaction Documents, if at any time Lender shall or would be issued shares of Common Stock under any of the Transaction Documents, but such issuance would cause Lender (together with its affiliates) to beneficially own a number of shares exceeding 4.99% of the number of shares of Common Stock outstanding on such date (including for such purpose the shares of Common Stock issuable upon such issuance) (the "**Maximum Percentage**"), then Borrower must not issue to Lender shares of Common Stock which would exceed the Maximum Percentage. For purposes of this section, beneficial ownership of Common Stock will be determined pursuant to Section 13(d) of the 1934 Act. The shares of Common Stock issuable to Lender that would cause the Maximum Percentage to be exceeded are referred to herein as the "**Ownership Limitation Shares**". Borrower will reserve the Ownership Limitation Shares for the exclusive benefit of Lender. From time to time, Lender may notify Borrower in writing of the number of the Ownership Limitation Shares that may be issued to Lender without causing Lender to exceed the Maximum Percentage. Upon receipt of such notice, Borrower shall be unconditionally obligated to immediately issue such designated shares to Lender, with a corresponding reduction in the number of the Ownership Limitation Shares. Notwithstanding the forgoing, the term "4.99%" above shall be replaced with "9.99%" at such time as the Market Capitalization is less than $10,000,000.00. Notwithstanding any other provision contained herein, if the term "4.99%" is replaced with "9.99%" pursuant to the preceding sentence, such increase to "9.99%" shall remain at 9.99% until increased, decreased or waived by Lender as set forth below. By written notice to Borrower, Lender may increase, decrease or waive the Maximum Percentage as to itself but any such waiver will not be effective until the 61st day after delivery thereof. The foregoing 61-day notice requirement is enforceable, unconditional and non-waivable and shall apply to all affiliates and assigns of Lender.

13. Payment of Collection Costs. If this Note is placed in the hands of an attorney for collection or enforcement prior to commencing arbitration or legal proceedings, or is collected or enforced through any arbitration or legal proceeding, or Lender otherwise takes action to collect amounts due under this Note or to enforce the provisions of this Note, then Borrower shall pay the costs incurred by Lender for such collection, enforcement or action including, without limitation, attorneys' fees and disbursements. Borrower also agrees to pay for any costs, fees or charges of its transfer agent that are charged to Lender pursuant to any Conversion or issuance of shares pursuant to this Note.

14. Opinion of Counsel. In the event that an opinion of counsel is needed for any matter related to this Note, Lender has the right to have any such opinion provided by its counsel. Lender also has the right to have any such opinion provided by Borrower's counsel.

15. Governing Law; Venue. This Note shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Note shall be governed by, the internal laws of the State of Utah, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Utah or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Utah. The provisions set forth in the Purchase Agreement to determine the proper venue for any disputes are incorporated herein by this reference.

16. Resolution of Disputes.

16.1. Arbitration of Disputes. By its acceptance of this Note, each party agrees to be bound by the Arbitration Provisions (as defined in the Purchase Agreement) set forth as an exhibit to the Purchase Agreement.

16.2. Calculation Disputes. Notwithstanding the Arbitration Provisions, in the case of a dispute as to any Calculation (as defined in the Purchase Agreement), such dispute will be resolved in the manner set forth in the Purchase Agreement.

17. Cancellation. After repayment or conversion of the entire Outstanding Balance, this Note shall be deemed paid in full, shall automatically be deemed canceled, and shall not be reissued.

18. Amendments. The prior written consent of both parties hereto shall be required for any change or amendment to this Note.

19. Assignments. Borrower may not assign this Note without the prior written consent of Lender. This Note and any shares of Common Stock issued upon conversion of this Note may be offered, sold, assigned or transferred by Lender without the consent of Borrower.

20. Time is of the Essence. Time is expressly made of the essence with respect to each and every provision of this Note and the documents and instruments entered into in connection herewith.

21. Notices. Whenever notice is required to be given under this Note, unless otherwise provided herein, such notice shall be given in accordance with the subsection of the Purchase Agreement titled "Notices."

22. Liquidated Damages. Lender and Borrower agree that in the event Borrower fails to comply with any of the terms or provisions of this Note, Lender's damages would be uncertain and difficult (if not impossible) to accurately estimate because of the parties' inability to predict future interest rates, future share prices, future trading volumes and other relevant factors. Accordingly, Lender and Borrower agree that any fees, balance adjustments, Default Interest or other charges assessed under this Note are not penalties but instead are intended by the parties to be, and shall be deemed, liquidated damages (under Lender's and Borrower's expectations that any such liquidated damages will tack back to the Purchase Price Date for purposes of determining the holding period under Rule 144).

23. Waiver of Jury Trial. EACH OF LENDER AND BORROWER IRREVOCABLY WAIVES ANY AND ALL RIGHTS SUCH PARTY MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS NOTE OR THE RELATIONSHIPS OF THE PARTIES HERETO BE TRIED BY JURY. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING UNDER COMMON LAW OR ANY APPLICABLE STATUTE, LAW, RULE OR REGULATION. FURTHER, EACH PARTY HERETO ACKNOWLEDGES THAT SUCH PARTY IS KNOWINGLY AND VOLUNTARILY WAIVING SUCH PARTY'S RIGHT TO DEMAND TRIAL BY JURY.

24. Voluntary Agreement. Borrower has carefully read this Note and has asked any questions needed for Borrower to understand the terms, consequences and binding effect of this Note and fully understand them. Borrower has had the opportunity to seek the advice of an attorney of Borrower's choosing, or has waived the right to do so, and is executing this Note voluntarily and without any duress or undue influence by Lender or anyone else.

25. Severability. If any part of this Note is construed to be in violation of any law, such part shall be modified to achieve the objective of Borrower and Lender to the fullest extent permitted by law and the balance of this Note shall remain in full force and effect.

[*Remainder of page intentionally left blank; signature page follows*]

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed as of the Effective Date.

BORROWER:

Marijuana Company of America, Inc.

By: _____
Name:
Title:

ACKNOWLEDGED, ACCEPTED AND AGREED:

LENDER:

St. George Investments LLC

By: Fife Trading, Inc., its Manager

By: _____
John M. Fife, President

ATTACHMENT 1
DEFINITIONS

For purposes of this Note, the following terms shall have the following meanings:

A1. "**Approved Stock Plan**" means any equity compensation plan which has been approved by the shareholders of Borrower and is in effect as of the Purchase

Price Date, pursuant to which Borrower's securities may be issued to any employee, officer or director for services provided to Borrower.

A2. "**Bloomberg**" means Bloomberg L.P. (or if that service is not then reporting the relevant information regarding the Common Stock, a comparable reporting service of national reputation selected by Lender and reasonably satisfactory to Borrower).

A3. "**Closing Bid Price**" and "**Closing Trade Price**" means the last closing bid price and last closing trade price, respectively, for the Common Stock on its principal market, as reported by Bloomberg, or, if its principal market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price (as the case may be) then the last bid price or last trade price, respectively, of the Common Stock prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if its principal market is not the principal securities exchange or trading market for the Common Stock, the last closing bid price or last trade price, respectively, of the Common Stock on the principal securities exchange or trading market where the Common Stock is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the last closing bid price or last trade price, respectively, of the Common Stock in the over-the-counter market on the electronic bulletin board for the Common Stock as reported by Bloomberg, or, if no closing bid price or last trade price, respectively, is reported for the Common Stock by Bloomberg, the average of the bid prices, or the ask prices, respectively, of any market makers for the Common Stock as reported by OTC Markets Group, Inc., and any successor thereto. If the Closing Bid Price or the Closing Trade Price cannot be calculated for the Common Stock on a particular date on any of the foregoing bases, the Closing Bid Price or the Closing Trade Price (as the case may be) of the Common Stock on such date shall be the fair market value as mutually determined by Lender and Borrower. If Lender and Borrower are unable to agree upon the fair market value of the Common Stock, then such dispute shall be resolved in accordance with the procedures in Section 15.2. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

A4. "**Conversion Price**" means $0.002 per share of Common Stock (as may be adjusted pursuant to the terms hereof) prior to the occurrence of any Event of Default and the lesser of: (a) $0.002 per share of Common Stock (as may be adjusted pursuant to the terms hereof); and (b) 70% of the lowest Closing Trade Price in the ten (10) Trading Days immediately preceding the date of measurement following the occurrence of any Event of Default.

A5. "**Conversion Share Value**" means the product of the number of Conversion Shares deliverable pursuant to any Conversion multiplied by the Closing Trade Price of the Common Stock on the Delivery Date for such Conversion.

A6. "**Deemed Issuance**" means an issuance of Common Stock that shall be deemed to have occurred on the latest possible permitted date pursuant to the terms hereof in the event Borrower fails to deliver Conversion Shares as and when required pursuant to Section 9 of this Note.

A7. "**Default Effect**" means multiplying the Conversion Eligible Outstanding Balance as of the date the applicable Event of Default occurred by 35%, and then adding the resulting product to the Outstanding Balance as of the date the applicable Event of Default occurred, with the sum of the foregoing then becoming the Outstanding Balance under this Note as of the date the Event of Default occurred.

A8. "**DTC**" means the Depository Trust Company or any successor thereto.

A9. "**DTC Eligible**" means, with respect to the Common Stock, that such Common Stock is eligible to be deposited in certificate form at the DTC, cleared and converted into electronic shares by the DTC and held in the name of the clearing firm servicing Lender's brokerage firm for the benefit of Lender.

A10. "**DTC/FAST Program**" means the DTC's Fast Automated Securities Transfer program.

A11. "**DWAC**" means the DTC's Deposit/Withdrawal at Custodian system.

A12. "**DWAC Eligible**" means that (a) Borrower's Common Stock is eligible at DTC for full services pursuant to DTC's operational arrangements, including without limitation transfer through DTC's DWAC system, (b) Borrower has been approved (without revocation) by DTC's underwriting department, (c) Borrower's transfer agent is approved as an agent in the DTC/FAST Program, (d) the Conversion Shares are otherwise eligible for delivery via DWAC; (e) Borrower has previously delivered all Conversion Shares to Lender via DWAC; and (f) Borrower's transfer agent does not have a policy prohibiting or limiting delivery of the Conversion Shares via DWAC.

A13. "**Excluded Securities**" means any shares of Common Stock, options, or convertible securities issued or issuable in connection with any Approved Stock Plan; *provided that* the option term, exercise price or similar provisions of any issuances pursuant to such Approved Stock Plan are not amended, modified or changed on or after the Purchase Price Date.

A14. "**Fundamental Transaction**" means that (a) (i) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, consolidate or merge with or into (whether or not Borrower or any of its subsidiaries is the surviving corporation) any other person or entity, or (ii) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of its respective properties or assets to any other person or entity, or (iii) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, allow any other person or entity to make a purchase, tender or exchange offer that is accepted by the holders of more than 50% of the outstanding shares of voting stock of Borrower (not including any shares of voting stock of Borrower held by the person or persons making or party to, or associated or affiliated with the persons or entities making or party to, such purchase, tender or exchange offer), or (iv) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with any other person or entity whereby such other person or entity acquires more than 50% of the outstanding shares of voting stock of Borrower (not including any shares of voting stock of Borrower held by the other persons or entities making or party to, or associated or affiliated with the other persons or entities making or party to, such stock or share purchase agreement or other business combination), or (v) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, reorganize, recapitalize or reclassify the Common Stock, other than an increase in the number of authorized shares of Borrower's Common Stock, or (b) any "person" or "group" (as these terms are used for purposes of Sections 13(d) and 14(d) of the 1934 Act and the rules and regulations promulgated thereunder) is or shall become the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of 50% of the aggregate ordinary voting power represented by issued and outstanding voting stock of Borrower.

A15. "**Mandatory Default Amount**" means the greater of (a) the Outstanding Balance divided by the Redemption Conversion Price on the date the Mandatory Default Amount is demanded, multiplied by the VWAP on the date the Mandatory Default Amount is demanded, or (b) the Outstanding Balance following the application of the Default Effect.

A16. "**Market Capitalization**" means a number equal to (a) the average VWAP of the Common Stock for the immediately preceding fifteen (15) Trading Days, multiplied by (b) the aggregate number of outstanding shares of Common Stock as reported on Borrower's most recently filed Form 10-Q or Form 10-K.

A17. "**Maximum Monthly Redemption Amount**" means 10% of the previous calendar month's total dollar trading volume of the Common Stock, which is the maximum aggregate Redemption Amount that may be redeemed in any calendar month.

A18. "**OID**" means an original issue discount.

A19. "**Other Agreements**" means, collectively, (a) all existing and future agreements and instruments between, among or by Borrower (or an affiliate), on the one hand, and Lender (or an affiliate), on the other hand, and (b) any financing agreement or a material agreement that affects Borrower's ongoing business operations.

A20. "**Outstanding Balance**" means as of any date of determination, the Purchase Price, as reduced or increased, as the case may be, pursuant to the terms hereof for payment, Conversion, offset, or otherwise, plus the OID, the Transaction Expense Amount, accrued but unpaid interest, collection and enforcements costs (including attorneys' fees) incurred by Lender, transfer, stamp, issuance and similar taxes and fees related to Conversions, and any other fees or charges (including without limitation Conversion Delay Late Fees) incurred under this Note.

A21. "**Purchase Price Date**" means the date the Cash Purchase Price is delivered by Lender to Borrower.

A22. "**Trading Day**" means any day on which the New York Stock Exchange is open for trading.

A23. "**VWAP**" means the volume weighted average price of the Common stock on the principal market for a particular Trading Day or set of Trading Days, as the case may be, as reported by Bloomberg.

EXHIBIT A

St. George Investments LLC
303 East Wacker Drive, Suite 1040
Chicago, Illinois 60601

Marijuana Company of America, Inc. Date: _____

Attn: Jesus Quintero
1340 West Valley Parkway, Suite 205
Escondido, California 92029

CONVERSION NOTICE

The above-captioned Lender hereby gives notice to Marijuana Company of America, Inc., a Utah corporation (the " **Borrower**"), pursuant to that certain Convertible Promissory Note made by Borrower in favor of Lender on September __, 2021 (the "**Note**"), that Lender elects to convert the portion of the Note balance set forth below into fully paid and non-assessable shares of Common Stock of Borrower as of the date of conversion specified below. Said conversion shall be based on the Conversion Price set forth below. In the event of a conflict between this Conversion Notice and the Note, the Note shall govern, or, in the alternative, at the election of Lender in its sole discretion, Lender may provide a new form of Conversion Notice to conform to the Note. Capitalized terms used in this notice without definition shall have the meanings given to them in the Note.

A. Date of Conversion: _____
B. Conversion #: _____
C. Conversion Amount: _____
D. Conversion Price: _____
E. Conversion Shares: _____ (C divided by D)
F. Remaining Outstanding Balance of Note: _____*

* Subject to adjustments for corrections, defaults, interest and other adjustments permitted by the Transaction Documents (as defined in the Purchase Agreement), the terms of which shall control in the event of any dispute between the terms of this Conversion Notice and such Transaction Documents.

Additionally, $_____ of the Conversion Amount converted hereunder shall be deducted from the Redemption Amount(s) relating to the following Redemption Date(s): _____.

Please transfer the Conversion Shares electronically (via DWAC) to the following account:

Broker: _____ Address: _____
DTC#: _____ _____
Account #: _____ _____
Account Name: _____

To the extent the Conversion Shares are not able to be delivered to Lender electronically via the DWAC system, deliver all such certificated shares to Lender via reputable overnight courier after receipt of this Conversion Notice (by facsimile transmission or otherwise) to:

_____
_____
_____

Sincerely,

St. George Investments LLC

By: _____
John M. Fife, President

EXHIBIT B

St. George Investments LLC
303 East Wacker Drive, Suite 1040
Chicago, Illinois 60601

Marijuana Company of America, Inc. Date: _____

Attn: Jesus Quintero
1340 West Valley Parkway, Suite 205
Escondido, California 92029

REDEMPTION NOTICE

The above-captioned Borrower hereby gives notice to St. George Investments LLC, a Utah limited liability company (the " **Lender**"), pursuant to that certain Convertible Promissory Note made by Borrower in favor of Lender on September __, 2021 (the "**Note**"), of certain Borrower elections and certifications related to payment of the Redemption Amount of $_____ due on _____, 202_ (the "**Redemption Date**"). In the event of a conflict between this Redemption Notice and the Note, the Note shall govern, or, in the alternative, at the election of Lender in its sole discretion, Lender may provide a new form of Redemption Notice to conform to the Note. Capitalized terms used in this notice without definition shall have the meanings given to them in the Note.

REDEMPTION CONVERSION AND CERTIFICATIONS AS OF THE REDEMPTION DATE

A. REDEMPTION CONVERSION

A. Redemption Date: _____, 202_
B. Redemption Amount: _____
C. Remaining Outstanding Balance of Note: _____ *

* Subject to adjustments for corrections, defaults, interest and other adjustments permitted by the Transaction Documents (as defined in the Purchase Agreement), the terms of which shall control in the event of any dispute between the terms of this Redemption Notice and such Transaction Documents.

Sincerely,

St. George Investments LLC

By: _____
John M. Fife, President

EXHIBIT 10.7

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned, St. George Investments LLC, a Utah limited liability company ("Assignor"), hereby assigns and transfers to Marijuana Company of America, Inc., a Utah corporation ("Assignee"), and Assignee hereby receives and accepts, all of Assignor's right, title and interest in and to, free and clear of any lien, claim or encumbrance: (a) that certain Secured Convertible Promissory Note in the original face amount of $170,000.00 issued by Sunset Island Group, Inc., a Colorado corporation (the "Company"), to the order of Assignor on December 8, 2017 ("Note 1"), issued pursuant to that certain Securities Purchase Agreement by and between Assignor and the Company of even date therewith ("Purchase Agreement 1"); (b) all other Transaction Documents (as defined in Purchase Agreement 1) entered into in connection with Purchase Agreement 1; (c) that certain Secured Convertible Promissory Note in the original face amount of $4,245,000.00 issued by the Company, to the order of Assignor on February 13, 2018 ("Note 2"), issued pursuant to that certain Securities Purchase Agreement by and between Assignor and the Company of even date therewith ("Purchase Agreement 2"); (d) all other Transaction Documents (as defined in Purchase Agreement 2) entered into in connection with Purchase Agreement 2 other than the Warrants (as defined in Purchase Agreement 2) and the Investor Notes (as defined in Purchase Agreement 2); and (e) fifty (50) shares of Series A Preferred Stock of VBF Brands, Inc., a California corporation.

WITNESS our hands this __ day of September 2021.

ASSIGNOR:

ST. GEORGE INVESTMENTS LLC

By: Fife Trading, Inc., Manager

By: _____
John M. Fife, President

ASSIGNEE:

MARIJUANA COMPANY OF AMERICA, INC.

By: _____
Name:
Title:

COMPANY CONSENT

By signing below, the Company acknowledges and consents to this Assignment. Without limiting the foregoing, the Company specifically (1) consents to the assignment of Note 1 and Note 2 and the applicable related transaction documents, and (2) acknowledges and agrees that the Company's execution hereof is a material inducement to Assignor and Assignee entering into this Assignment and consummating the transactions contemplated hereby.

SUNSET ISLAND GROUP, INC.

By: _____
Name:
Title:

EXHIBIT 99.1

Marijuana Company of America Inc. Acquires Cultivation and Distribution Company Expanding Footprint in California's Growing Cannabis Market

LOS ANGELES, CA / October 14, 2021/ Marijuana Company of America, Inc. (OTC: MCOA) (the "Company"), a diversified company with operations and investments throughout the cannabis industry, today announced that it has completed what it believes to be the most significant acquisition in MCOA's history with the acquisition of VBF Brands, Inc. ("VBF"). VBF is a fully licensed marijuana cultivator and distributor based in Salinas, California and was previously a wholly owned subsidiary of Sunset Island Group, Inc. (OTC: SIGO).

MCOA expects that the acquired subsidiary should be significantly accretive to the Company's topline revenue and EBITDA expectations for 2022. This newly acquired wholly owned subsidiary will immediately work towards increasing production at its current Salinas facility that also offers exponential growth potential with other nearby properties that MCOA has an option to participate in as part of the acquisition.

California continues to be the world's largest legal cannabis market, and offers tremendous market potential for MCOA with this acquisition that includes cannabis nursery, cannabis manufacturing/distribution and cultivation licenses.

Jesus Quintero, CEO of Marijuana Company of America, Inc. stated, "The acquisition of VBF Brands, Inc. perfectly encapsulates MCOA's strategy to expand our business by organic growth and acquisitions of synergistic and often undercapitalized distressed assets existing today in the Cannabis industry. We are confident that by providing this entity with capital and operational depth to the already impressive operations will increase the capacity, and greatly bolster our position in the California Cannabis market."

VBF brands, Inc. has been a cultivator and distributor in the Salinas, California for the past two years and utilizes its own growing systems to produce desirable cannabis clones that are proprietary certified clean and designed to assist growers by reducing uncertainty and enhancing the likelihood of a successful cultivation harvest. Cannabis clones carry the exact same genetic potential as their mother plant and have similar cannabinoid and terpene profiles when grown properly. When clones are selected from healthy, high-quality mother plants, they also inherit their vigor, and natural resistance to mold, mildew, and pests.

Quintero added, "We are especially intrigued with this acquisition because of VBF's reputation for high quality clones and its unique use of its growing space. The Company employs a multi-tiered vertical growing system , thereby maximizing the square footage of its Salinas, California facility. Few growers offer the efficiency of VBF Brands, Inc., which provides greater efficiency and sustainable cultivation techniques to provide growers with access to locally grown, high-quality clones to grow cannabis flower. Clones are cultivated in an expedient manner and sold for use to other cannabis flower growers that now don't have to wait six months to cultivate and sell."

Given that VBF focuses on the nursery aspect of the Cannabis sector, will help the Company yield revenue faster as the clones only take a few weeks to develop and are often presold to customers in large quantities. The California market is experiencing a significant decline in the sale of mature cannabis flower, but an increase in demand and prices for quality clones. It is expected that being a key player in this specialized cannabis nursery niche should help MCOA achieve substantial revenue growth in 2022 and beyond.

About Marijuana Company of America, Inc.

Marijuana Company of America (OTC: MCOA) invests in the cannabis sector directly. The Company's operations include C-Distro, one of the THC, Hemp & CBD cannabis industries fastest growing distribution companies, and hempsmart™, a Premium CBD company. The company's core mission is to leverage its experience, and access to capital to identify and invest in acquisitions with unique growth potential. The Company also owns a cannabis nursery cultivation facility in Salinas, California.

Forward-Looking Statements

This news release contains 'forward-looking statements,' which are not purely historical and may include any statements regarding beliefs, plans, expectations, or intentions regarding the future. Such forward-looking statements include, among other things, the development, costs, and results of new business opportunities and words such as 'anticipate,' 'seek,' 'intend,' 'believe,' 'estimate,' 'expect,' 'project,' 'plan,' or similar phrases may be deemed 'forward-looking statements' within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results could differ from those projected in any forward-looking statements due to numerous factors. Such factors include, among others, the inherent uncertainties associated with new projects, the future U.S. and global economies, the impact of competition, and the Company's reliance on existing regulations regarding the use and development of cannabis-based products. These forward-looking statements are made as of the date of this news release, and we assume no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements. Although we believe that any beliefs, plans, expectations, and intentions contained in this press release are reasonable, there can be no assurance that any such beliefs, plans, expectations, or intentions will prove to be accurate. Investors should consult all of the information set forth herein and should also refer to the risk factors disclosure outlined in our annual report on Form 10-K, our quarterly reports on Form 10-Q, and other periodic reports filed from time to time with the Securities and Exchange Commission.

For more information, please visit www.marijuanacompanyofamerica.com or visit www.sec.gov.

CONTACT:

info@marijuanacompanyofamerica.com
info@mcoainvestments.com
888-777-4362