

Assigned for all purposes to: Stanley Mosk Courthouse, Judicial Officer: Gregory Alarcon

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5 Attorneys for Plaintiff

6 Milestone Investments, LP

7 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

8 **COUNTY OF LOS ANGELES**

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10
11 MILESTONE INVESTMENTS, LP, an
Alaska Limited Partnership,

12 Plaintiff,

13 v.

14 CHRISTOPHER GANAN, an individual;
15 ADAM BIERMAN, an individual;
16 ANDREW MODLIN, an individual; and
DOES 1 through 100, Inclusive,

17 Defendants.

Case No. **20STCV14302**

**COMPLAINT OF MILESTONE
INVESTMENTS, LP FOR:**

**(1) BREACH OF GUARANTY
(2) DECLARATORY RELIEF**

[JURY TRIAL DEMANDED]

1 Plaintiff Milestone Investments, LP (“Milestone”) for its Complaint against defendants
2 Christopher Ganan (“Ganan”), Adam Bierman (“Bierman”), Andrew Modlin (“Modlin”) and DOES 1
3 through 100 (collectively, “Defendants”) alleges as follows:

4 **PRELIMINARY STATEMENT**

5 1. Defendants are current and former executives of MedMen Enterprises, Inc. (“MedMen”),
6 a cannabis dispensary and delivery service. In and around December 2019, MedMen experienced capital
7 liquidity issues requiring financing. Accordingly, MedMen entered into the transactions that are the
8 subject of this Complaint.

9 2. In December 2019, Milestone agreed to purchase 23,720,929 shares of Class B
10 Subordinate Voting Shares of MedMen stock for \$10,199,999.40. But Milestone only agreed to do so if
11 Defendants would personally guaranty Milestone’s investment. As a part of that guaranty, Defendants
12 were obligated to provide to Milestone a pledge of their personal residences in the form of a mortgage or
13 deed of trust within fifteen days of the execution of the guaranty, which was later amended and restated
14 by the parties (the “Guaranty”). Despite executing the Guaranty, Defendants Bierman and Modlin have
15 not provided the required pledge or deeds of trust.

16 3. Also in December 2019, Milestone loaned Defendants \$2,000,000 to purchase certain
17 shares of MedMen stock. As a part of this transaction, the parties entered into a Letter Agreement and
18 Promissory Note. Pursuant to the terms of those agreements, Defendants were required to pay down the
19 \$2,000,000 loan with the net proceeds from any sale of the MedMen stock they purchased. Defendants
20 have stated they intend to sell the shares, but, on information and belief, they do not intend to use the
21 proceeds to repay the loan.

22 4. By this action, Milestone seeks damages and injunctive relief requiring Defendants to
23 honor their Guaranty and declaratory relief adjudicating the parties’ rights and obligations under the
24 Letter Agreement and Promissory Note.

25 **THE PARTIES**

26 5. At all times mentioned herein, Milestone was and is an Alaska limited partnership
27 organized and existing under the laws of the State of Alaska.

28 6. At all times mentioned herein, Ganan was and is an individual that Milestone is informed

1 and believes and thereon alleges is residing in the State of California, County of Los Angeles. Ganan is
2 the Chief Strategy Officer at MedMen.

3 7. At all times mentioned herein, Bierman was and is an individual that Milestone is
4 informed and believes and thereon alleges is residing in the State of California, County of Los Angeles.
5 Bierman was a co-founder and former Chief Executive Officer at MedMen.

6 8. At all times mentioned herein, Modlin was and is an individual that Milestone is informed
7 and believes and thereon alleges is residing in the State of California, County of Los Angeles. Modlin
8 was a co-founder and former President and Chief Brand Officer at MedMen.

9 9. Defendants DOES 1 through 100, inclusive, are sued in this Complaint under fictitious
10 names. Their true names and capacities are unknown to Milestone. When their true names and capacities
11 are ascertained, Milestone will amend this Complaint by inserting their true names and capacities.
12 Milestone is informed and believes and thereon alleges that each of the fictitiously named Defendants is
13 in some way liable to Milestone for the repayment of debt owed to it.

14 **BACKGROUND**

15 10. On December 23, 2019, Milestone entered into a Subscription Agreement for Shares (“the
16 Subscription Agreement”) wherein Milestone agreed to acquire 23,720,929 shares of Class B
17 Subordinate Voting Shares of MedMen Enterprises, Inc. for \$10,199,999.40.

18 11. As stated therein, on December 31, 2019, to induce Milestone to enter into the
19 Subscription Agreement, Ganan, Bierman, and Modlin executed the Amended and Restated Guaranty
20 (“Guaranty”) in favor of Milestone. Under the Guaranty, Defendants jointly and severally guaranteed
21 the investment of Milestone in MedMen pursuant to the terms of the Guaranty.

22 12. In Guaranty, Defendants guaranteed:

23 Guarantors hereby absolutely, unconditionally and irrevocably guarantee
24 to Milestone, its successors, transferees and assigns, Milestone’s
25 repayment of the Subscription Price for the Shares (the “Obligations”),
26 subject to the provisions of this Guaranty. Guarantors further agree to
27 indemnify and hold harmless Milestone for any and all costs and expenses
28 (including, without limitation, reasonable legal fees and disbursements)
incurred by Milestone in connection with collecting the Obligations under
this Guaranty, or any part thereof, or in enforcing or renegotiating its rights
under this Guaranty. Guarantors hereby agree that Milestone will not be
required to exercise any right, assert any claim or demand, or enforce any

1 remedy whatsoever against any other person before or as a condition to the
2 obligations of Guarantors hereunder. This Guaranty constitutes a guaranty
3 of payment and not collection. The Obligations of Guarantors hereunder
4 will be limited to TEN MILLION, ONE HUNDRED NINTY-NINE [*sic*]
5 THOUSAND, NINE HUNDRED NINTY-NINE U.S. DOLLARS and
6 FORTY CENTS (\$10,199,999.40) less (i) all proceeds received by
7 Milestone for selling all or any portion of the Shares, and (ii) the fair
8 market value of the Shares that Milestone is the beneficial owner of at the
9 end of the Term. Notwithstanding any provision of this Guaranty to the
10 contrary, Guarantors' obligations under this Guaranty shall be, with respect
11 to Milestone's transferring or maintaining ownership of the Shares, subject
12 to Milestone's use of commercially reasonable best efforts to minimize
13 Guarantors' obligation to guarantee the Subscription Price.

14 13. Under the Guaranty, Defendants, and each of them, were obligated to enter into a pledge
15 agreement within fifteen (15) days resulting in either a mortgage or deed of trust of their personal
16 residences to secure their performance under the Guaranty. To wit:

17 Pledge of Personal Residences. Each of the Guarantors and Milestone
18 shall work cooperatively towards and use their commercially best efforts
19 to enter into a pledge agreement or agreements that will result in either a
20 mortgage or deed of trust securing such personal residences within fifteen
21 days from the date hereof whereby the Guarantors will pledge to Milestone
22 each such Guarantors' personal residences to secure performance under
23 this Guaranty. The total pledged amount on the Guarantors personal
24 residence must equal \$10,199,999.40 which is the Obligation under this
25 Guaranty. The pledged amount referenced in this paragraph amount must
26 take into account and be net of any existing liens or mortgages on the
27 residences. The actual amount of lien placed on each property will be at
28 Milestone's sole discretion after an appraisal is conducted on each
property. Milestone and Guarantors agree that this Guaranty may serve as
the Note or underlying proof of amount owed upon which the Milestone
files its Mortgage or Deed of Trust. If the appraised values of the personal
residences (after all existing liens are taken into consideration) do not equal
the \$10,199,999.40 Guaranty Obligation under this document, Milestone
may, at its discretion, in lieu of taking pledges of the Guarantors personal
residences, collateralize shares of the Guarantors in MedMen Enterprises,
Inc., and or its affiliates, having a total value of ELEVEN MILLION
SEVEN HUNDRED TWENTY-NINE THOUSAND NINE HUNDRED
NINTY-NINE [*sic*] U.S. DOLLARS and THIRTY [*sic*] CENTS
(\$11,729,999.30), a sum equaling One Hundred Fifteen Percent (115%) of
the Obligations under this Guaranty.

14. In the Guaranty, the Parties agreed that because irreparable damage would result from the
non-performance of any of the obligations thereunder, the Parties are entitled to specific performance.
The Guaranty states:

1 Specific Performance. The parties agree that irreparable damage would
2 occur in the event that any of the provisions of this Guaranty are not
3 performed by each party in accordance with their specific terms or were
4 otherwise breached by such party. The parties accordingly agree that, in
5 addition to any other remedy to which the parties are entitled at law or in
6 equity, each party is entitled to injunctive relief to prevent breaches of this
7 Guaranty by the other party and otherwise to enforce specifically the
8 provisions of this Guaranty against the other parties. Each party expressly
9 waives any requirement that any other party obtain any bond or provide
10 any indemnity in connection with any action seeking injunctive relief or
11 specific enforcement of the provisions of this Guaranty.

12 15. The Guaranty also provides that Defendants shall indemnify and hold harmless Milestone
13 for any and all costs and expenses including reasonable attorneys' fees incurred by Milestone in
14 collecting the Obligations under the Guaranty or enforcing its rights thereunder.

15 16. In the days and weeks following Defendants' execution of the Guaranty, Milestone
16 repeatedly asked Defendants to provide Milestone with Deeds of Trust to their personal residences as
17 required by Section 11 of the Guaranty. Defendants did not comply.

18 17. As a result, on January 29, 2020, Milestone, at its own expense, prepared and sent draft
19 Deeds of Trust to Defendants.

20 18. On February 13, 2020, Christopher Mays, in his capacity as Trustee of the Saltair
21 Brentwood Property Trust, executed and returned a Deed of Trust for Defendant Ganan's personal
22 residence located at 438 S. Saltair Ave., Los Angeles, California 90049. Defendants Bierman and Modlin
23 have never provided any deeds of trust to Milestone.

24 19. On March 26, 2020, Milestone sent notice of default letters ("Notices of Default") to each
25 of Ganan, Bierman, and Modlin as well as their respective representatives with respect to their personal
26 residences. Attached hereto has **Exhibit 1** is a true and correct copy of Milestone's Notices of Default.
27 The Notices of Default made clear that Defendants were in default of their obligations under the Guaranty
28 and that they were jointly and severally liable for the breaches thereof.

 20. To date, neither Bierman nor Modlin have signed and returned the Deeds of Trust as
required by the Guaranty.

 21. On December 27, 2019, defendants Ganan, Bierman, and Modlin entered into a Letter
Agreement and Promissory Note ("the Letter Agreement" & "Note") with Milestone.

1 22. In the Letter Agreement, the Parties agreed:

2 Milestone will loan Christopher Ganan, Adam Bierman and Andrew
3 Modlin (the "Loan"), jointly and severally (the "Borrowers"), the sum of
4 TWO MILLION DOLLARS (\$2,000,000) (the "Loan Amount"). The
5 Borrowers will use the Loan Amount advanced by Milestone to purchase
6 FOUR MILLION SIX HUNDRED FIFTY-THREE THOUSAND ONE
7 HUNDRED-SIXTY TWO (4,651,162) Class B Subordinated Voting
8 Shares (the shares being acquired by the Borrowers in accordance with this
9 transaction being referred to as the "Shares") of the Company. Borrowers
10 shall produce a copy of the subscription agreements to confirm purchase
11 of the Shares.

12 Each of the Borrowers agrees that for so long as all or any portion of the
13 amounts due under the Note is outstanding, all net proceeds from any sale
14 by any of the Borrowers of the Shares will be used to repay all amounts
15 due under the Note.

16 23. Pursuant to the terms of the Letter Agreement and Note, Milestone loaned Ganan,
17 Bierman, and Modlin, jointly and severally, \$2,000,000 for Ganan, Bierman, and Modlin to purchase
18 4,651,162 shares of MedMen Class B Subordinated Voting Shares ("Shares").¹

19 24. Pursuant to the terms of the Letter Agreement and Note, for so long as all or any portion
20 of the amounts due under the Note are outstanding, all net proceeds from any sale of any Shares by
21 Ganan, Bierman, and Modlin, and each of them, will be used to repay all amounts due under the Note.

22 25. Milestone has performed its obligations under the Letter Agreement and Note and funded
23 the \$2,000,000 loan to Ganan, Bierman, and Modlin.

24 26. Defendants have stated that they intend to sell the Shares. On information and belief,
25 Defendants do not intend to use the proceeds of the net proceeds of any sale to pay the Note as required
26 by the provisions of the Letter Agreement and Note.

27 27. Pursuant to its terms, the Letter Agreement and Note are governed by and construed in
28 accordance with the laws of the State of California and the parties agreed that any dispute arising out of
29 its terms and the transactions governed thereby is to be heard in Los Angeles County, California.

¹ "Net Proceeds" is defined as: "the gross proceeds received from the sale of the Shares, less any costs of sale, less any capital gains or other taxes that must be paid by any Borrower in connection with the sale of the Shares and any other fees, charges or taxes due in connection with any sale of the Shares."

1 respect to their rights and obligations under the Letter Agreement and Note. As described above, Plaintiff
2 contends that Defendants must use the net proceeds from any sales of the Shares to pay down the Note.
3 On information and belief, Defendants do not intend to do so.

4 37. While the Letter Agreement and Note state that they shall be interpreted according to
5 California law, the Shares are not located in the United States – they are held by a broker in Canada.
6 Thus, it is vital that a California court interpret the Parties’ rights and obligations under the Letter
7 Agreement and Note.

8 38. A judicial determination of these issues and of the respective duties of Plaintiff and
9 Defendants with respect to the Letter Agreement and Note is necessary and appropriate at this time under
10 the circumstances in order that Plaintiff may ascertain its rights and Defendants ascertain their duties
11 under the Letter Agreement and Note.

12 39. In the absence of declaratory relief, Plaintiff will suffer considerable damage, in an
13 amount to be proven at trial.

14 **PRAYER FOR RELIEF**

15 WHEREFORE, Plaintiff prays for the following relief:

16 1. As to the First Cause of Action, that the Court enter judgment against Defendants, and
17 each of them, as follows:

18 A. That the Court grant specific performance and order Defendants to provide
19 Milestone either a mortgage or deed of trust securing Bierman and Modlin’s
20 personal residences; or, in the alternative, that the Court award Defendants
21 damages in an amount to be proven at trial;

22 B. That the Court award Milestone consequential and incidental damages in an
23 amount according to proof at trial;

24 C. That the Court award Milestone its costs incurred in this action and reasonable
25 attorneys’ fees pursuant to Section 18 of the Agreement; and

26 D. For such other and further relief as the Court may deem just and proper.

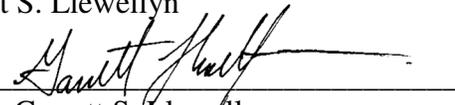
27 2. As to the Second Cause of Action, that:
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- A. The Court issue a Declaration that Defendants are jointly and severally obligated to pay down the Note with the net proceeds from any sale of the Shares;
- B. For an award of attorneys' fees and costs pursuant to law; and
- C. For such other and further relief as the Court may deem just and proper.

Dated: April 13, 2020

BARNES & THORNBURG LLP
Garrett S. Llewellyn

By: 
Garrett S. Llewellyn
Attorneys for Plaintiff

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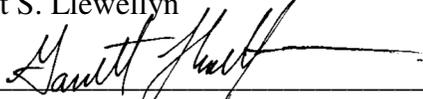
DEMAND FOR JURY TRIAL

Plaintiff hereby demands a jury trial on all issues triable by jury in the above-entitled action.

Dated: April 13, 2020

BARNES & THORNBURG LLP

Garrett S. Llewellyn

By: 

Garrett S. Llewellyn

Attorneys for Plaintiff

EXHIBIT 1

S. P. LaViña
Partner
(424) 239-3743
spl@btlaw.com

March 25, 2020

VIA FEDERAL EXPRESS

Andrew Modlin
1450 Blue Jay Way
Los Angeles, CA 90069

Christopher Mays, as Trustee of the
Magnum Goose Trust dated May 2, 2019
c/o Armanino LLP
2101 El Segundo Blvd. Suite 400
El Segundo CA 90245

RE: Notice of Default

Gentlemen:

Our firm represents Milestone Investments, LP, its owners, principals and any assigns (collectively, "Milestone"), with reference to that certain Amended and Restated Guaranty dated as of December 31, 2019 (the "Guaranty"), duly executed by Christopher Ganan, Adam Bierman and Andrew Modlin (collectively, the "Guarantors"). Section 11 of the Guaranty provides in pertinent part the following obligations:

"11. Pledge of Personal Residences. Each of the Guarantors and Milestone shall work cooperatively towards and use their commercially best efforts to enter into a pledge agreement or agreements that will result in either a mortgage or deed of trust securing such personal residences within fifteen days from the date hereof whereby the Guarantors will pledge to Milestone each such Guarantors' personal residences to secure performance under this Guaranty."

As of March 25, 2020, only one of three deeds of trust have been returned to Milestone, executed and delivered.

You are hereby notified that the Guarantors remain in default under the terms of the Guaranty. The Guarantor Obligations are joint and several. As a result of such uncured defaults and failures to perform by the Guarantors, Milestone will have no choice but to commence enforcement of its rights under the Guaranty. Unless the documents delivered to you and Mr. Bierman are returned promptly to Milestone, fully and properly executed and notarized, as applicable, Milestone will commence enforcement of its rights on **March 30, 2020**.

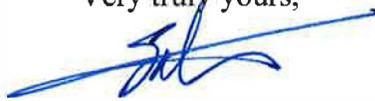
Under Section 14 of the Guaranty, Milestone may commence an action for specific performance, and under Section 11 of the Guaranty, Milestone may also elect to file UCC-1 Financing statements with the California and Delaware Secretaries of State, and record copies of

Andrew Modlin
Christopher Mays, Trustee
March 25, 2020
Page 2

the filed UCCs with the Los Angeles County Recorder's office. These are examples only, and not limitations, of actions Milestone may take next week. You are reminded that the Guarantors agreed not to (a) pledge any of their residences to any third party or (b) enter into any personal guarantee without Milestone's prior written consent.

As a courtesy, the documents previously delivered to you are included with this notice of default. You should consult with your counsel if you have any questions. Milestone hereby reserves all rights, at law and equity, without waiver.

Very truly yours,



S. P. LaViña

Enclosures

Cc (Via e-mail only):

Ira Rosenblatt (email: IRosenblatt@R2LawGroup.com)

John McCarthy (jmccarthy@wicklowcapital.com)

John Flynn (jflynn@flynnlawllc.com)

Christopher Mays, as Trustee of the Saltair Brentwood Property
Trust Dated October 12, 2018, and as Trustee of the Magnum Goose Trust

Dated May 2, 2019 (Chris.Mays@armaninoLLP.com)

Douglas Robson (Douglas.Robson@btlaw.com)

S. P. LaViña
Partner
(424) 239-3743
spl@btlaw.com

www.btlaw.com

March 25, 2020

VIA FEDERAL EXPRESS

Christopher Ganan
438 S. Saltair Ave.
Los Angeles, CA 90049

RE: Notice of Default

Dear Mr. Ganan:

Our firm represents Milestone Investments, LP, its owners, principals and any assigns (collectively, "Milestone"), with reference to that certain Amended and Restated Guaranty dated as of December 31, 2019 (the "Guaranty"), duly executed by Christopher Ganan, Adam Bierman and Andrew Modlin (collectively, the "Guarantors"). Section 11 of the Guaranty provides in pertinent part the following obligations:

"11. Pledge of Personal Residences. Each of the Guarantors and Milestone shall work cooperatively towards and use their commercially best efforts to enter into a pledge agreement or agreements that will result in either a mortgage or deed of trust securing such personal residences within fifteen days from the date hereof whereby the Guarantors will pledge to Milestone each such Guarantors' personal residences to secure performance under this Guaranty."

As of March 25, 2020, only one of three deeds of trust have been returned to Milestone, executed and delivered.

You are hereby notified that the Guarantors remain in default under the terms of the Guaranty. The Guarantor Obligations are joint and several. The As a result of such uncured defaults and failures to perform by the Guarantors, Milestone will have no choice but to commence enforcement of its rights under the Guaranty. Unless the documents delivered to Messrs. Modlin and Bierman are returned to Milestone, fully and properly executed and notarized, as applicable, Milestone will commence enforcement of its rights on **March 30, 2020**.

Pursuant to the terms of the Guaranty, Milestone may elect to record the Deed of Trust executed by you at any time. Under Section 14 of the Guaranty, Milestone may commence an action for specific performance, and under Section 11 of the Guaranty, Milestone may also elect to file UCC-1 Financing statements with the California and Delaware Secretaries of State, and record copies of the filed UCCs with the Los Angeles County Recorder's office. These are examples only, and not limitations, of actions Milestone may take next week. You are reminded that the Guarantors agreed not to (a) pledge any of their residences to any third party or (b) enter into any personal guarantee without Milestone's prior written consent.

Christopher Ganan
March 25, 2020
Page 2

You should consult with your counsel if you have any questions. Milestone hereby reserves all rights, at law and equity, without waiver.

Very truly yours,



S. P. LaViña

Enclosures

Cc (Via e-mail only):

Karl Block (email: kblock@loeb.com)

John McCarthy (jmccarthy@wicklowcapital.com)

John Flynn (jflynn@flynnlawllc.com)

Christopher Mays, as Trustee of the Saltair Brentwood Property Trust Dated October 12, 2018, and as Trustee of the Magnum Goose Trust Dated May 2, 2019 (Chris.Mays@armaninoLLP.com)

Douglas Robson (Douglas.Robson@btlaw.com)

S. P. LaViña
Partner
(424) 239-3743
spl@btlaw.com

March 25, 2020

VIA FEDERAL EXPRESS

Adam N. Bierman and Laura N. Bierman,
Trustees of the Bierman Trust U/T/A 8/1/17
4619 Roma Ct
Marina Del Rey, CA 90292

RE: Notice of Default

Dear Mr. & Mrs. Bierman:

Our firm represents Milestone Investments, LP, its owners, principals and any assigns (collectively, "Milestone"), with reference to that certain Amended and Restated Guaranty dated as of December 31, 2019 (the "Guaranty"), duly executed by Christopher Ganan, Adam Bierman and Andrew Modlin (collectively, the "Guarantors"). Section 11 of the Guaranty provides in pertinent part the following obligations:

"11. Pledge of Personal Residences. Each of the Guarantors and Milestone shall work cooperatively towards and use their commercially best efforts to enter into a pledge agreement or agreements that will result in either a mortgage or deed of trust securing such personal residences within fifteen days from the date hereof whereby the Guarantors will pledge to Milestone each such Guarantors' personal residences to secure performance under this Guaranty."

As of March 25, 2020, only one of three deeds of trust have been returned to Milestone, executed and delivered.

You are hereby notified that the Guarantors remain in default under the terms of the Guaranty. The Guarantor Obligations are joint and several. As a result of such uncured defaults and failures to perform by the Guarantors, Milestone will have no choice but to commence enforcement of its rights under the Guaranty. Unless the documents delivered to you and Mr. Modlin are returned promptly to Milestone, fully and properly executed and notarized, as applicable, Milestone will commence enforcement of its rights on **March 30, 2020**.

Under Section 14 of the Guaranty, Milestone may commence an action for specific performance, and under Section 11 of the Guaranty, Milestone may also elect to file UCC-1 Financing statements with the California and Delaware Secretaries of State, and record copies of the filed UCCs with the Los Angeles County Recorder's office. These are examples only, and not limitations, of actions Milestone may take next week. You are reminded that the Guarantors agreed

Adam N. Bierman
March 25, 2020
Page 2

not to (a) pledge any of their residences to any third party or (b) enter into any personal guarantee without Milestone's prior written consent.

As a courtesy, duplicates of the documents previously delivered to you are included with this notice of default. You should consult with your counsel if you have any questions. Milestone hereby reserves all rights, at law and equity, without waiver.

Very truly yours,



S. P. LaViña

Enclosures

Cc (Via e-mail only):

Nigel Burns (email: nburns@burnsattorneys.com)
John McCarthy (jmccarthy@wicklowcapital.com)
John Flynn (jflynn@flynnlawllc.com)
Christopher Mays, as Trustee of the Saltair Brentwood Property
Trust Dated October 12, 2018, and as Trustee of the Magnum Goose Trust
Dated May 2, 2019 (Chris.Mays@armaninoLLP.com)
Douglas Robson (Douglas.Robson@btlaw.com)

EXHIBIT 2

EXHIBIT A

[Legal Description for 4619 Roma Court, Marina del Rey, CA 90292]

The Land referred to herein below is situated in the City of Los Angeles, County of Los Angeles, State of California, and is described as follows:

LOT 5 IN BLOCK 13 OF SILVER STRAND TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7, PAGE(S) 86 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAU COUNTY.

EXCEPTING THEREFROM ALL OIL, OIL RIGHTS, NATURAL GAS RIGHTS, MINERAL RIGHTS, ALL OTHER HYDROCARBON SUBSTANCES BY WHATSOEVER NAME KNOWN, AND ALL WATER, CLAIMS OR RIGHTS TO WATER, TOGETHER WITH APPURTENANT RIGHTS THERETO, WITHOUT, HOWEVER, ANY RIGHT TO ENTER UPON THE SURFACE OF SAID LAND NOR ANY PORTION OF THE SUBSURFACE LYING ABOVE A DEPTH OF 500 FEET, AS EXCEPTED OR RESERVED BY DEED RECORDED JANUARY 9, 1968 AND NOVEMBER 21, 1973 AS INSTRUMENT NO. 1157, OF OFFICIAL RECORDS.

APN 4295-004-068

EXHIBIT 3

EXHIBIT A

[Legal Description for 1450 Blue Jay Way, Los Angeles CA 90069]

The Land referred to herein below is situated in the City of Los Angeles, County of Los Angeles, State of California, and is described as follows:

LOT 63 OF TRACT NO. 19229, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 652 PAGES 34 TO 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN 5561-010-019