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4 *Counsel to Temporary Receiver*
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8 **UNITED STATES DISTRICT COURT**
9 **NORTHERN DISTRICT OF CALIFORNIA**
10 **SAN FRANCISCO DIVISION**

11
12 COMMODITY FUTURES TRADING
13 COMMISSION,

14 Plaintiff,

15 v.

16 DENARI CAPITAL LLC, TRAVIS CAPSON,
AND ARNAB SARKAR,

17 Defendants.
18
19
20

Case No. 19-cv-07284-EC

**DECLARATION OF KATHY BAZOIAN
PHELPS IN SUPPORT OF MOTION BY
RECEIVER KATHY BAZOIAN PHELPS
FOR ENTRY OF AN ORDER APPROVING
SETTLEMENT WITH UNITED
RESOURCE HOLDINGS GROUP, INC.,
UNITED MILLING AND REFINING
CORP. AND SPRINGBOK
DEVELOPMENT, INC.**

Date: October 1, 2020
Time: 1:30 p.m.
Place: Courtroom: 5
450 Golden Gate Ave
San Francisco, CA
Judge: Edward M. Chen





I, Kathy Bazoian Phelps, declare:

1 Pursuant to this Court’s Order entered December 4, 2019, I was appointed as the
2 temporary receiver (“Receiver”) in this case. I am also an attorney duly licensed to practice in the
3 State of California and am senior counsel at the firm of Diamond McCarthy LLP (“Diamond
4 McCarthy”). I have personal knowledge of the matters set forth below and if called as a witness, I
5 would and could testify competently to the matters stated herein.
6

7 2. This declaration is made in support of the Motion by Receiver Kathy Bazoian
8 Phelps for Entry of an Order Approving Settlement with United Resource Holdings Group, Inc.,
9 United Milling and Refining Corp. and Springbok Development Inc. (the “Motion”).¹

10 3. Attached hereto as Exhibit “1” is a copy of the Settlement Agreement (the
11 “Agreement”), subject to Court approval, by and among myself as Receiver, United Resource
12 Holdings Group, Inc. (“URHG”), United Milling and Refining Corp. (“UMRC”), and Springbok
13 Development Inc. (“Springbok”). The Agreement will result in approximately \$58,000.00 in cash
14 from the URHG frozen bank account and \$150,000 from the Nevada Real Property (defined
15 below). In addition, the Agreement confirms the Receivership Estate’s ownership of certain shares
16 in URHG, and resolves potential claims I may be able to assert on behalf of the Receivership
17 Estate against URHG and UMRC. The Motion is made on grounds that, in my business judgment,
18 the proposed settlement is reasonable and in the best interests of the Receivership Estate.

19 4. The proposed Agreement allows me to avoid potentially protracted litigation with
20 respect to potential avoidance actions which would inevitably delay administration of the
21 Receivership Estate and my ability to obtain approval of a proposed plan of distribution (the “Plan”)
22 filed concurrently with this Motion. The Agreement procures cash for distribution to claimants and
23 confirms my control of (and ability to sell) certain shares in URHG. If the sale transaction between
24 UMRC and Springbok does not close, I retain the right to determine the best alternative transaction
25 with respect to the ultimate disposition of the Nevada Real Property as set forth in the Agreement.
26 The flexibility built into the Agreement with respect to the real property allows me to move the case
27

28 ¹ All capitalized terms used but not otherwise defined herein shall have the meanings given to them
in the Motion.

1 forward and reach resolutions while preserving the right to make choice later that is in the best
2 interests of the Receivership Estate.

3 5. I have conferred with the CFTC, counsel to the Receivership Defendants, who each
4 do not oppose the Motion.

5 6. URHG is a majority shareholder of UMRC.

6 7. UMRC owns the Nevada Real Property. A certain Grant, Bargain, Sale Deed for
7 the Nevada Real Property recorded October 30, 2017 in the Official Records of Storey County,
8 Nevada, reflects that when the Nevada Real Property was conveyed to UMRC, it was conveyed to
9 UMRC and Springbok.

10 8. In 2017, Denari loaned UMRC \$205,000.00, which amount remains unpaid. Also
11 in 2017, Michael Navone, an investor in Denari, loaned Denari \$200,000.00. In exchange, Denari
12 executed a promissory note and caused UMRC to grant Mr. Navone a first-priority lien against the
13 Nevada Real Property, and a Deed of Trust with Assignment of Rents was recorded in Storey
14 County, Nevada, Doc. ID 126632 (the “Denari Lien”). The Denari Lien was signed only by
15 UMRC, not Springbok. Since then, Mr. Navone has advised that Denari repaid the amounts due to
16 Mr. Navone in connection with the Denari Lien, although UMRC has not repaid the amounts due
17 to Denari on account of the \$205,000 loan. Mr. Navone has assigned the Denari Lien to the
18 Receivership Estate, which I have recorded in Storey County’s real property records. I believe that
19 the Denari Lien is a first-priority secured lien against the Nevada Real Property.

20 9. Springbok has offered to buy out UMRC’s interest in the Nevada Real Property for
21 the sum of \$150,000. UMRC and Springbok have agreed that the \$150,000 consideration shall be
22 paid to the Receivership Estate as part of the settlement among the parties. If the sale transaction
23 between UMRC and Springbok does not close, I retain the right to determine the best alternative
24 transaction with respect to the ultimate disposition of the Nevada Real Property as set forth in the
25 Agreement.

26 10. Between 2015 and entry of the TRO in 2019, Denari transferred to URHG, Dun
27 Glen Mining Corp., and/or UMRC approximately \$677,793.37 as loans or otherwise, which
28 remains owing to Denari at this time and for which the Receiver has claims to seek to recover for

1 the benefit of the Receivership Estate. The transfers to URHG and UMRC are referred to as the
 2 “Transfers.”

3 11. As of the date of the Agreement, the Receivership Estate owns 26,047,410 publicly
 4 traded shares in URHG which are held in the form of stock certificates, and 4,586,588 shares in
 5 certain TD Ameritrade accounts (collectively, the “Receivership URHG Shares”), as set forth
 6 below:

7	Number of	Owner	Location
8	Shares		
9	791,667	Denari	Stock certificate – restricted
10	7,450,000	Denari	Stock certificate - unrestricted
11	1,100,000	Denari	Stock certificate – restricted
12	1,000,000	Denari	Stock certificate – unrestricted
13	1,666,667	Denari	Stock certificate – unrestricted
14	333,334	Denari	Stock certificate –unrestricted
15	500,000	Denari	Stock certificate – unrestricted
16	1,282,917	Denari	Stock certificate – unrestricted
17	50,000	Denari	Stock certificate – unrestricted
18	6,816,465	Denari	Stock certificate – unrestricted
19	500,000	Denari	Stock certificate – unrestricted
20	300,000	Denari	Stock certificate – unrestricted
21	1,800,000	Denari	Stock certificate – unrestricted
22	1,000,000	Denari	Stock certificate – restricted
23	1,000,000	Denari	Stock certificate – restricted
24	143,860	Denari	Stock certificate- unrestricted
25	312,500	Denari	Stock certificate - unrestricted
26	4,301,531	Denari	TD Ameritrade #5871
27	285,057	Travis and Jennifer Capson	TD Ameritrade #5789
28	30,633,998	TOTAL	

12. URHG has a bank account with Wells Fargo Bank, Account No. xxxxxx2291 (the
 “URHG Account”), which was frozen as a result of the Consent Order. As of November 30, 2019
 the balance in the URHG Account was \$58,260.17 (the “URHG Frozen Funds”).

13. Concurrent with this Motion, I filed (i) the Plan and a motion to approve the Plan
 and related agreements, (ii) a motion to approve the transfer and sale of certain of the Receivership
 URHG Shares, and (iii) a motion to approve a settlement resolving an investor claimant’s proof of
 claim, which includes acceptance of non-cash assets under the Plan in full and final satisfaction of
 his claim. I believe that the transactions contemplated under these motions and the Plan will
 enable me to move the case forward efficiently and effectively, maximizing recoveries for



1 claimants.

2 14. I believe in my business judgment that the Agreement is fair, reasonable, and is in
3 the best interest of the Receivership Estate. The Agreement provides the Receivership Estate with
4 additional cash and confirms the estate’s ownership of the Receivership URHG Shares (which will
5 also provide the Receivership Estate with additional cash and other benefits under a plan), In
6 exchange, I am agreeing on behalf of the Receivership Estate not to pursue potential claims in
7 connection with the Transfers (which amounts URHG and UMRC have advised they do not have
8 to turnover). Last, the Agreement provides me in my capacity as Receiver and the Receivership
9 Estate, on the one hand, and URHG and UMRC, on the other, with mutual general releases. The
10 foregoing is all accomplished without the need for protracted and expensive litigation, enabling me
11 to continue administering the Receivership Estate and advance a plan of distribution.

12 15. I have filed concurrently with the Motion, motions to approve a sale of certain of
13 the Receivership URHG Shares, a settlement with an investor claimant providing for a non-cash
14 distribution, a plan of distribution, and a motion to approve that plan. I believe that the
15 transactions contemplated by these motions must work together to achieve the most optimal
16 outcome for the Receivership Estate.

17
18 I declare under penalty of perjury that the foregoing is true and correct. Executed on this
19 27th day of August, 2020 at Los Angeles, California.

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21
22 */s/ Kathy Bazoian Phelps*
23 _____
24 Kathy Bazoian Phelps, Receiver
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EXHIBIT 1

SETTLEMENT AGREEMENT

This Agreement (the “Agreement”) dated August 26, 2020, is entered into by and among Kathy Bazoian Phelps, solely in her capacity as the court appointed receiver (“Receiver”) in the case of *Commodity Futures Trading Commission v. Denari Capital LLC, Travis Capson, and Arnab Sarkar*, Case No. 3:19-cv-07284-EC (the “Receivership Case”) pending in the U.S. District Court for the Northern District of California (the “District Court”), United Resource Holdings Group, Inc., a Nevada corporation (“URHG”), United Milling and Refining Corp., a Nevada Corporation (“UMRC”), and Springbok Development Inc, a Nevada corporation (“Springbok”). The Receiver, URHG, UMRC and Springbok are referred to herein individually as a “Party” and collectively as the “Parties.”

RECITALS

A. On December 4, 2019, the District Court entered the *Consent Order for Preliminary Injunction and Other Ancillary Relief Against Defendants* (ECF No. 37) (the “TRO”) granting injunctive and other equitable relief against Denari Capital LLC (“Denari”), Travis Capson, and Arnab Sarkar (collectively, the “Receivership Defendants” and their estates created under the TRO, the “Receivership Estate”), and appointing Kathy Bazoian Phelps as the temporary receiver over the Receivership Defendants.

B. URHG is (i) a majority shareholder of UMRC.

C. UMRC is the sole owner of certain real property and improvements known as and located at 399 Wild Horse Canyon Drive, Sparks, Nevada 89434 in Storey County, Nevada (the “Nevada Real Property”). A certain Grant, Bargain, Sale Deed for the Nevada Real Property recorded October 30, 2017 in the Official Records of Storey County, Nevada, reflects that when the Nevada Real Property was conveyed to UMRC, it was conveyed to UMRC and Springbok.

D. In 2017, Denari loaned UMRC \$205,000.00, which amount remains unpaid. Also in 2017, Michael Navone, an investor in Denari, loaned Denari \$200,000.00, and Denari executed a promissory note and caused UMRC to grant Mr. Navone a first-priority lien against the Nevada Real Property, and a Deed of Trust with Assignment of Rents was recorded in Storey County, Nevada, Doc. ID 126632 (the “Denari Lien”). The Deed of Trust with Assignment of Rents was signed only by UMRC, not Springbok. Since then, Mr. Navone has advised that Denari repaid the amounts due to Mr. Navone in connection with the Denari Lien, although UMRC has not repaid the amounts due to Denari on account of the \$205,000 loan. Mr. Navone has assigned the Denari Lien to the Receiver on behalf of the Receivership Estate, which was duly recorded in Storey County’s real property records on July 22, 2020, assigned Instrument No. 132091. Accordingly, the Receiver on behalf of the Receivership Estate holds the Denari Lien, which the Receiver understands is a first-priority secured lien against the Nevada Real Property.

E. Springbok is lent money by URHG and Springbok was put on title to the Nevada Real Property. Any amounts owing or other claims between Springbok and URHG are not the subject of this Agreement and nothing in this Agreement shall impact their respective

claims against one another, if any, other than as set forth in this Agreement.

F. Springbok wishes to acquire UMRC's interest in the Nevada Real Property from UMRC (the "Sale Transaction"). URHG, UMRC, and Springbok all have agreed that the Receiver shall be the third party beneficiary of the Sale Transaction and that proceeds of the Sale Transaction shall be paid to the Receiver as set forth herein.

G. In the event that the Sale Transaction does not close, UMRC has agreed to transfer its interest in the Nevada Real Property to the Receiver if the Receiver elects to take possession. The Receiver will later determine if it is in the best interests of the Estate to: (i) accept a transfer of title to the Nevada Real Property as consideration under this Agreement, and either transfer title to a designated third-party, or sell the Nevada Real Property and use the proceeds for a distribution to claimants, or (ii) decline to accept transfer of title to the Nevada Real Property because of various external factors. The Receiver will under this Agreement reserve her rights with respect to the ultimate disposition, or lack thereof, of the Nevada Real Property. The Receiver intends to submit a proposed Plan of Distribution (the "Plan") to the District Court for approval which may provide for, among other things, the alternative transactions with respect to the ultimate disposition of the Nevada Real Property.

H. Between 2015 and entry of the TRO in 2019, Denari transferred to URHG, UMRC and/or a formerly affiliated entity, Dun Glen Mining Co., approximately \$677,793.37 as loans or otherwise, which remains owing to Denari at this time and for which the Receiver has claims to seek to recover for the benefit of the Receivership Estate. The transfers made to URHG and UMRC are referred to as the "Transfers." URHG and UMRC have asserted that they do not have cash or assets available to satisfy these obligations to Denari beyond the Nevada Real Property and the URHG Frozen Funds, defined below.

I. As of the date of this Agreement, the Receivership Estate owns 26,047,410 publicly traded shares in URHG which are held in the form of stock certificates, and 4,586,588 shares in certain TD Ameritrade accounts (collectively, the "Receivership URHG Shares"), as set forth below:

Number of Shares	Owner	Location
791,667	Denari	Stock certificate – restricted
7,450,000	Denari	Stock certificate - unrestricted
1,100,000	Denari	Stock certificate – restricted
1,000,000	Denari	Stock certificate – unrestricted
1,666,667	Denari	Stock certificate – unrestricted
333,334	Denari	Stock certificate –unrestricted
500,000	Denari	Stock certificate – unrestricted
1,282,917	Denari	Stock certificate – unrestricted
50,000	Denari	Stock certificate – unrestricted
6,816,465	Denari	Stock certificate – unrestricted
500,000	Denari	Stock certificate – unrestricted
300,000	Denari	Stock certificate – unrestricted
1,800,000	Denari	Stock certificate – unrestricted

1,000,000	Denari	Stock certificate – restricted
1,000,000	Denari	Stock certificate – restricted
143,860	Denari	Stock certificate- unrestricted
312,500	Denari	Stock certificate - unrestricted
4,301,531	Denari	TD Ameritrade #5871
285,057	Travis and Jennifer Capson	TD Ameritrade #5789
30,633,998		

J. URHG has a bank account with Wells Fargo Bank, Account No. xxxxxx2291 (the “URHG Account”), which was frozen as a result of the Consent Order. As of November 30, 2019 the balance in the URHG Account was \$58,260.17 (the “URHG Frozen Funds”).

K. In consideration of the facts and circumstances of these matters, the Parties have determined to resolve all claims and defenses and potential claims and defenses arising out of or related in any way to the Nevada Real Property, the Denari Lien, the Alleged Avoidable Transfers, and the URHG Frozen Funds the pursuant to the terms set forth herein. With respect to the Receivership URHG Shares, the Parties have agreed that URHG will not contest the Receivership Estate’s ownership and authority to dispose of or transfer such shares in the Receiver’s sole discretion, subject to approval by the District Court.

NOW, THEREFORE, in consideration of the promises and the covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the Parties agree, subject to approval by the District Court, in the form of entry of a final, non-appealable order, as follows:

AGREEMENT

1. **Court Approval:** This Agreement is contingent upon approval by District Court presiding over the Receivership Case. If the District Court does not approve this Agreement and the Springbok Agreement, this Agreement shall be null and void *ab initio* and the Parties shall be restored to their positions, rights and interests the same as they had maintained immediately prior to the execution date hereof.

2. **The Receivership URHG Shares.** The Receivership Estate shall retain ownership of the Receivership URHG Shares, which URGH does not contest, and the Receiver shall remain free to transfer, sell, and/or assign the Receivership URHG Shares in her sole discretion, subject to approval by the District Court.

3. **The URHG Frozen Funds.**

- a. URHG shall release any and all claims to the URHG Frozen Funds and consents to the delivery of the URHG Frozen Funds to the Receiver.
- b. URHG shall execute any documents necessary to effectuate that release and ensure that they are filed in the appropriate courts of jurisdiction, if necessary, and delivered to any parties necessary.

- c. Wells Fargo Bank shall be directed in the order entered by the District Court to deliver the URHG Frozen Funds to the Receiver and take any action necessary with respect to the URHG Account pursuant to the terms of this Agreement.

4. The Nevada Real Property and the Denari Lien.

- a. UMRC and Springbok represent and warrant that they own the Nevada Real Property alone, and that they have not otherwise assigned or transferred or purported to assign or transfer, or grant any liens, whether subordinate or otherwise to the Denari Lien, the Nevada Real Property to any person or entity.
- b. UMRC, URHG, and Springbok confirm the validity and existence of the Denari Lien as a first-priority lien against the Nevada Real Property.
- c. UMRC and Springbok shall enter into the Sale Transaction pursuant to an agreement to separately be entered into as between those two parties. The Sale Transaction shall close on or before October 30, 2020 (the “Closing Date”), unless the Receiver grants an extension to such date in her sole discretion.
- d. URHG, UMRC and Springbok agree that the net sum of \$150,000 (the “Payment”) shall be paid directly to the Receiver out of escrow as part of the closing of the Sale Transaction. The Receiver place a demand into the escrow for the Sale Transaction in the amount of \$150,000.
- e. The Receiver agrees to release and surrender the Denari Lien as part of the closing of the Sale Transaction.
- f. URHG, UMRC and Springbok shall pay all costs associated with the Sale Transaction, including all closing costs, escrow fees, commissions, outstanding taxes, or any other costs associated with the Sale Transaction as may be negotiated amongst themselves.
- g. URHG, UMRC and Springbok will use best efforts to keep the Receiver reasonably informed of all material developments with respect to the Sale Transaction.
- h. The Parties agree that none of the costs associated with the release of the Denari Lien, and the Sale Transaction generally, shall be borne by the Receiver or the Receivership Estate.
- i. If the Receiver has not received the Payment one week after the Closing Date:
 - i. In the Receiver’s sole discretion and, if required, subject to District Court approval, UMRC, URHG, and Springbok, to the extent necessary, shall assist the Receiver with effectuating one of the following outcomes with respect to the Nevada Real Property: (i) selling the Receiver’s interest in the Denari lien; (i) causing the Nevada Real Property to be transferred from UMRC and Springbok to the Receiver, solely in her capacity as the

Receiver for the Receivership Defendants, or to such other entity as directed by the Receiver in her sole discretion; or (ii) electing that UMRC and Springbok will retain title and ownership to the Nevada Real Property, in the Receiver's sole discretion. Whether title and ownership to the Nevada Real Property is transferred to the Receiver, the Receivership Estate, or a third-party, as the Receiver may elect, the proceeds of any sale of the Nevada Real Property shall belong to the Receivership Estate.

- ii. UMRC, URHG, and Springbok, to the extent necessary, shall execute any documents necessary to effectuate transfer of the Nevada Real Property including but not limited to a Grant Deed or Assignment of Deed, ensure that they are filed with and/or submitted to the appropriate Recorder's Office for Storey County, Nevada, and that any necessary fees or costs incurred in connection therewith including but not limited to title fees or recording costs are promptly paid and satisfied.
- iii. If the Sale Transaction does not close by the Closing Date and the Receiver later decides that it is in the best interests of the Receivership Estate to take title to the Nevada Real Property and transfer it to a holder of an allowed investor claim, or liquidate it and use the proceeds for distribution under the Plan, the Receiver will separately seek Court approval, and UMRC, URHG and Springbok shall cooperate with the Receiver as needed.
- iv. Under this subsection 4.1, the Receiver agrees to make a determination as to the Nevada Real Property and to provide URHG, UMRC and Springbok with written notice of that determination on or before March 31, 2021.

5. **Sole Ownership of Claims.** The Parties have not assigned or transferred or purported to assign or transfer to any person or unrelated entity any claims or other matters released, except as otherwise expressly provided herein. The Parties shall and hereby do indemnify, defend, and hold harmless from and against any claims, liabilities, actions, causes of action, demands, injuries, damages, costs, and expenses (including, but not limited to reasonable attorneys' fees), based upon or arising in connection with any such prior assignment or transfer, or any such purported assignment or transfer, of any claims or other matters released herein.

6. **Receiver's Waiver of Claims.** Upon Court approval and satisfaction of all of the terms of this Agreement, the Receiver waives any and all claims against to URHG and UMRC to avoid and recover the Transfers.

7. **Releases.**

- a. Except as to the rights and obligations as otherwise set forth in this Agreement, URHG and UMRC, and all of their predecessors, successors, subsidiaries and/or affiliates, directors, managers, officers, employees, independent contractors, shareholders, partners, spouses and heirs, past, present and future, and, as applicable, each of their respective successors, assigns, attorneys and agents, past,

present and future (the “URHG Parties”), shall be deemed to have released and forever discharged the Receiver, on behalf of herself and the Receivership Estate, and the Receivership Defendants and all of their predecessors, successors, subsidiaries and/or affiliates, directors, managers, officers, employees, independent contractors, shareholders, partners, spouses and heirs, past, present and future, and, as applicable, each of their respective successors, assigns, attorneys and agents, past, present and future (the “Receiver Parties”), and the Receiver Parties shall be deemed to have released and forever discharged the URHG Parties, from any and all claims, demands, causes of action, damages, appeals, obligations, suits, debts and liabilities of any nature whatsoever, fixed or contingent, known or unknown, liquidated or unliquidated, that any one or more of the URHG Parties or Receiver Parties, as applicable, has now or ever had or may have in the future, against any one or more of the Receiver Parties or the URHG Parties, as applicable, relating to and/or arising out of the Transfers and any claims, counterclaims and/or defenses in connection therewith, the URHG Parties’ interests in the Nevada Real Property, or the proceeds thereof in the event it is sold or otherwise transferred by the Receiver on behalf of the Receivership Estate, the URHG Frozen Funds and URHG Account, from the beginning of the world to the date of this Agreement.

- b. Upon the closing of the Sale Transaction and the receipt by the Receiver of the Payment in full: Springbok, and all of their predecessors, successors, subsidiaries and/or affiliates, directors, managers, officers, employees, independent contractors, shareholders, partners, spouses and heirs, past, present and future, and, as applicable, each of their respective successors, assigns, attorneys and agents, past, present and future (the “Springbok Parties”), shall be deemed to have released and forever discharged the Receiver, on behalf of herself and the Receivership Estate, and the Receivership Defendants and all of their predecessors, successors, subsidiaries and/or affiliates, directors, managers, officers, employees, independent contractors, shareholders, partners, spouses and heirs, past, present and future, and, as applicable, each of their respective successors, assigns, attorneys and agents, past, present and future (the “Receiver Parties”), and the Receiver Parties shall be deemed to have released and forever discharged the Springbok Parties, from any and all claims, demands, causes of action, damages, appeals, obligations, suits, debts and liabilities of any nature whatsoever, fixed or contingent, known or unknown, liquidated or unliquidated, that any one or more of the Springbok Parties or Receiver Parties, as applicable, has now or ever had or may have in the future, against any one or more of the Receiver Parties or the Springbok Parties, as applicable, relating to and/or arising out of the Transfers and any claims, counterclaims and/or defenses in connection therewith, the Springbok Parties’ interests in the Nevada Real Property, from the beginning of the world to the date of this Agreement
- c. Without limitation or expansion thereof, the foregoing releases do not apply to any claim that there has been a breach of any of the terms of this Agreement.

- d. In connection with the releases set forth above, the Parties expressly waive and release any rights or benefits that they may have under Section 1542 of the Civil Code of the State of California which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in its, his, or her favor at the time of executing the release, and that if known by it, him, or her, must have materially affected its, his or her settlement with the debtor or released party.

- e. By executing this Agreement, the Parties expressly waive and release the rights or benefits of Section 1542 of the Civil Code of the State of California, and any similar statute, code, law or regulation of any state, territory, commonwealth or possession of the United States, or the United States, to the full extent that they may waive all such rights and benefits pertaining to the claims released herein. The Parties, and each of them, acknowledge that they are aware that they may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those that they now know or believe to be true pertaining to the claims released herein. Nevertheless, it is the intention of the Parties, and each of them, through this Agreement to fully, finally and forever release all of the claims each of them respectively release herein. The releases herein given shall be and remain in effect as a full and complete release of the claims released herein notwithstanding the discovery or existence of any such additional or different claims or facts relative thereto.

8. For the avoidance of doubt, the foregoing releases have no impact upon the Receivership URHG Shares, and the Receivership Estate's ownership of, control over, and rights to the Receivership URHG Shares and any proceeds thereof.

9. The Parties acknowledge that the Receiver is acting solely in her capacity as the receiver for the Receivership Defendants, which for the avoidance of doubt is Denari Capital LLC, Travis Capson, and Arnab Sarkar, and their subsidiaries and affiliates, and that she has no personal liability whatsoever with respect to this Agreement or the transactions described herein.

10. Except as otherwise specifically provided for herein, nothing contained in this Agreement shall create any rights, remedies or defenses in favor of any party in interest that is not a Party to this Agreement.

11. The Parties mutually warrant and represent that, prior to the execution of this Agreement: (a) each of them has thoroughly read this Agreement and conducted an independent and thorough investigation of all pertinent facts; (b) each of them has thoroughly informed themselves of the terms, covenants, conditions and effects of this Agreement; (c) each of them has obtained the advice and benefit of counsel of their own choosing, or had the opportunity to do so; (d) no representations of any kind have been made by or on behalf of any of the Parties other than as expressly set forth in this Agreement; and (e) each of them thereafter elected knowingly and voluntarily to execute and enter into this Agreement.

12. Each of the Parties stipulates, agrees and warrants that: (a) the terms of this Agreement are reasonable; (b) they will not challenge or contest in any way the capacity or the authority of any Party hereto to make the agreements, covenants, waivers, stipulations, and representations set forth herein; (c) the person executing this Agreement on behalf of each Party has the necessary and appropriate authority and capacity to execute this Agreement and to make this Agreement binding upon and enforceable against that Party; and (d) the consideration for this Agreement is mutual and adequate.

13. This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all previous written or oral agreements, stipulations, understandings, promises or negotiations relating to such subject matter. No Party to this Agreement has made or is relying on (and each Party disclaims the existence or materiality of) any representations, warranties, or promises not expressly set forth in this Agreement. This Agreement can be modified only by a writing executed by each of the Parties hereto.

14. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective current, former, and future partners, members, lawyers, predecessors, affiliates, parents, subsidiaries, shareholders, officers, directors, employees, agents, trustees, managers, representatives, successors and assigns.

15. Each Party hereto agrees to bear its/her own legal and other costs and expenses incurred in connection with the negotiation, preparation, and obtaining approval from the District Court of this Agreement and the Proposed Plan.

16. Nothing in this Agreement shall be deemed to be an admission of liability by any Party. Neither this Agreement nor any action taken to comply with this Agreement shall be construed as, or used as, an admission of any fault, wrongdoing, responsibility or liability whatsoever in this or any other matter.

17. **Jurisdiction and Governing Law.** The Parties agree to submit to the exclusive jurisdiction of the District Court, which shall hear any dispute, claim, or controversy arising in connection with or relating to this Agreement, including, but not limited to the validity, breach, enforcement, or termination thereof. This Agreement shall be governed and construed in accordance with the laws of California without regard to conflicts of law principles.

18. **Notices.** All communications or requests, if any, contemplated by this Agreement shall be effective (a) if sent by email, as soon as sent to the following email addresses, (b) if sent by overnight mail which can be tracked, as soon as delivery is confirmed, or (c) if sent by first class mail, certified return receipt, two (2) days after placing the notice in the mail:

To the Receiver:

Kathy Bazoian Phelps, solely as Receiver
1999 Avenue of the Stars, Suite 1100
Los Angeles, CA 90067-4402
Email: kphelps@diamondmccarthy.com

With a copy to:

Diamond McCarthy LLP
Attn: Christopher Sullivan

150 California St. Suite 2200
San Francisco, CA 94111
Email: csullivan@diamondmccaarthy.com

If to URHG: Jerry Condon
628 Middlegate Road #6
Henderson, NV 89011
Email: jerry@urhg.net

If to UMRC: Jerry Condon
628 Middlegate Road #6
Henderson, NV 89011
Email: jerry@urhg.net

If to Springbok: Jeffrey Holt
6297 S Ruddsdale Ave.
Boise ID 83709
480-695-6258
jeffrey9696@hotmail.com

19. **Severability.** Each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. If any provision of this Agreement or the application of such provision to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected by such invalidity or unenforceability.

20. **No Construction Against Drafter.** The Parties hereby mutually agree and stipulate that this Agreement is the result of negotiations between the Parties and that the terms hereof are negotiated terms. Accordingly, any rules of interpretation or construction resolving any ambiguity against the drafter that might otherwise apply, shall not apply hereto.

21. **Counterparts.** This Agreement may be executed in counterparts, in which case all such counterparts shall constitute one and the same Agreement. Furthermore, the executed signature pages may be transmitted by facsimile or .pdf, and such signatures shall be deemed original and sufficient to bind the Parties hereto.

22. **Headings.** All headings in this Agreement have been inserted for ease of reference only, are not to be considered a part of this Agreement, and are to have no effect on the interpretation of this Agreement.

23. The Parties hereto agree to execute such other documents as may be reasonably required and which may otherwise be deemed necessary to effectuate the terms of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed and delivered as of the date reflected below.

Dated: August 26 2020

Kathy Bazoian Phelps, solely in her capacity
as Receiver

Dated: August 26, 2020

United Resource Holdings Group, Inc.

By:
Jerry Condon
Title: President

Dated: August 26 2020

United Milling & Refining Corp.

By:
Jerry Condon
Title:

Dated: August 26 2020

Springbok Development, Inc.

By:
Jeffrey Holt
Title: President