

**PROMISSORY NOTE  
DISCOUNT PAYOFF AGREEMENT  
(August West, Inc.)**

This PROMISSORY NOTE DISCOUNT PAYOFF AGREEMENT (the “**Agreement**”), dated as of July 1, 2019 (the “**Execution Date**”), is by and between August West, Inc., a California corporation (the “**Lender**”), and Jane Braka, an individual resident of California (the “**Borrower**”).

**RECITALS**

**A.** The Borrower issued a Promissory Note in the principal amount of three hundred thousand dollars (\$300,000.00) to the Lender on March 1, 2014 (the “**Original Note**”);

**B.** The Original Note terms require the Borrower to make certain annual interest payments to the Lender beginning in 2016 and lasting up, and until, the Original Note is repaid in full;

**C.** The Original Note terms require the Borrower to make certain annual principal payments to the Lender beginning in 2017 and lasting up and until March 1, 2021; and

**D.** The Lender has agreed to accept a cash payment from the Borrower in full and complete satisfaction of all obligations of Borrower under the Original Note, subject to the terms and conditions of this Agreement and in exchange for Lender waiving any and all payments of interest that are previously, currently, or subsequently due in accordance with the terms and conditions of the Original Note.

**NOW, THEREFORE**, in consideration of the foregoing, the various agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and the Lender agree as follows:

**AGREEMENT**

- 1. Discounted Payoff Amount; Release; Lender Option.** Subject to the satisfaction of the conditions set forth in Section 2, the Lender agrees to accept the Payoff Amount (as defined in Section 2) from the Borrower in full and complete satisfaction of all obligations of the Borrower, upon the occurrence of which the Original Note and all sums due thereunder shall be deemed satisfied in full. The Lender further agrees to surrender the Original Note and execute the Release in the form attached hereto Exhibit A within five (5) days of the receipt of the Payoff amount. In the event that the Lender does not receive the Payoff Amount on or before the Deadline, or in the event that the Conditions Precedent are not

satisfied as specified herein, this Agreement may, at the sole option of the Lender, be deemed null and void and of no further force or effect.

2. **Conditions Precedent.** Section 1 of this Agreement shall not be effective unless, and until, each of the following conditions precedent (the “**Conditions Precedent**”) have been fully satisfied:
  - a. The Borrower shall make a single lump sum payment in lawful tender of the United States of America, and in immediately available funds, in the amount of three hundred thousand dollars (\$300,000.00) (the “**Payoff Amount**”) to the Lender on, or before, \_\_\_\_\_, 2019 (the “**Deadline**”).
3. **Default and Remedies.** Upon Borrower’s breach of any of the Conditions Precedent in Section 2 of this Agreement, Lender may choose to declare the entire balance of the unpaid principal, together with any accrued interest, immediately due as provided in Section 6 of the Original Note.
4. **Attorney’s Fees and Collection Costs.** The prevailing party in a lawsuit related to the collection of Payoff Amount due under this Agreement, shall be entitled to its costs and lawyers’ fees in an amount the court finds to be reasonable.
5. **Reinstatement of Obligations.** All obligations of the Borrower to the Lender that are discharged, waived, or released pursuant to this Agreement, including without limitation any portion of the interest on the Original Note that is waived or reduced herein, shall be reinstated in full if the Lender is required to return any portion of any payment or the Payoff Amount received by Lender, or to pay the same over to any other person or entity for any reason whatsoever.
6. **Miscellaneous.**
  - a. ***Entire Agreement.*** This Agreement embodies the entire agreement between the parties with respect to the subject matter hereof and there are no agreements, representations, or warranties, oral or written, between or among the parties other than those set forth in this Agreement.
  - b. ***Amendments.*** This Agreement may not be modified or changed, in whole or in part, except by a supplemental agreement signed by both the Lender and the Borrower.
  - c. ***Successors and Assigns.*** This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

- d. ***Governing Law.*** This Agreement, along with the rights and obligations herein, shall be governed by, and construed in accordance with, the laws of the State of California.
- e. ***Counterparts.*** This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original but all such counterparts together shall constitute one and the same instrument. Each counterpart may consist of two (2) copies hereof each signed by one of the parties hereto.
- f. ***Severability.*** If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.
- g. ***No Waiver.*** No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any Party of any right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.
- h. ***Headings.*** The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

***/REMAINDER INTENTIONALLY LEFT BLANK;***

***SIGNATURE PAGE TO FOLLOW***

**IN WITNESS WHEREOF**, the Lender and the Borrower have duly executed and delivered this Agreement, which shall go into effect as of the date of the Execution Date above.

**AUGUST WEST, INC.**

**JANE BRAKA**

/s/\_\_\_\_\_

/s/\_\_\_\_\_

**Name (printed):** JOHN CINDER

**Name (printed):** JANE BRAKA

**Date:** July 1, 2019

**Date:** July 1, 2019

**Email:** john.cinder@augustwest.us

**Email:** jbraka12345@aol.us

**Address:** 412 BBQ Pl., STE 3  
San Jose, CA 94135

**Address:** 33 Banana St., Apt 3B  
Los Angeles, CA 90010

**EXHIBIT A**

**B.J. KANG LAW, PC**

[www.bjkanglaw.com](http://www.bjkanglaw.com)

## Release of Promissory Note

IN CONSIDERATION OF PAYMENT by Jane Braka, whose primary residence is in Los Angeles, California (“**Borrower**”), in the amount of Three Hundred Thousand Dollars (\$300,000.00) on the 1<sup>st</sup> day of July, 2019, August West, Inc., with its primary office in San Jose, California (“**Lender**”), hereby releases and discharges the Borrower from any claims, liabilities, or obligations under the promissory note dated the 1<sup>st</sup> day of March 2014.

### **AUGUST WEST, INC.**

/s/\_\_\_\_\_

**Name (printed):** John Cinder

**Date:** July 1, 2019

**Email:** john.cinder@augustwest.us

**Address:** 412 BBQ Pl., STE 3  
San Jose, CA 94135