

Exhibit 3

SIDE AGREEMENT

THIS SIDE AGREEMENT (this “**Agreement**”), dated as of July 13, 2017, is entered into by ANI Development, LLC, a California limited liability company (“**ANI**”), in favor of Ovation Finance Holdings 2 LLC, a Nevada limited liability company (“**Ovation**”).

RECITALS

Whereas, KIM Funding, LLC, a California limited liability company (“**KIM Funding**”), an affiliate of ANI, seeks financing, the proceeds of which are to be used to fund the escrow accounts of applicants seeking to obtain approvals of transfers of licenses from the California Department of Alcohol Beverage Control as required by state regulations (each an “**Escrow Account**”);

Whereas, Ovation is willing to provide such funding under the terms and conditions of a Loan Agreement dated as of even date herewith between KIM Funding and Ovation (the “**Loan Agreement**”; all capitalized terms used herein but not otherwise defined herein shall have the meanings given them in the Loan Agreement, a copy of which is attached hereto as Exhibit A);

Whereas, the Loan Agreement anticipates that ANI will establish with Chicago Title (“**Escrow Holder**”) an Escrow Account into which Ovation shall fund Loans (defined in the Loan Agreement) pursuant to the Loan Agreement, which Escrow Account shall be subject to an escrow agreement in which Ovation shall be a third party beneficiary thereof and owner of the escrow account thereunder (the “**Escrow Agreement**”), to accept the proceeds of each Loan; and

Whereas, Ovation is willing to advance the Loans to KIM Funding on the terms and conditions set forth in the Loan Agreement, contingent upon ANI delivering this Agreement to Ovation;

Therefore in order to induce Ovation to enter into the Loan Agreement and fund Loans thereunder, ANI hereby agrees as follows:

Section 1.1 Instructions to Escrow Agent. ANI shall instruct the Escrow Holder to pay to Ovation from each applicable Escrow Account all amounts due and owing with respect to a Loan on the Due Date of such Loan. In furtherance thereof, ANI agrees to comply with all of its obligations under each Escrow Agreement, including without limitation its obligation to provide written instructions to Escrow Holder to release all of the Deposit and the interest thereon to Ovation at each such Due Date. It is expressly understood by ANI that it may only release the Deposit (as defined in the Escrow Agreement) to Ovation and shall not take any action to contravene this Side Letter. It is further understood that in an Event of Default (as defined in the Loan Agreement), if Kim Funding replaces the Deposits (as defined in the Escrow Agreement) as set forth in Section 6.2 of the Loan Agreement, ANI shall instruct the Escrow Holder to release the Deposits that have been replaced back to Ovation in accordance with the Escrow Agreement (it being understood that nothing herein is intended to require ANI to do anything that violates applicable law or ANI’s agreement with an applicant).

Section 1.2 Access. ANI shall permit any representatives designated by Ovation to visit and inspect during normal business hours the corporate, financial and operating records and the properties of ANI upon reasonable advance notice, and to make extracts from and copies of such records, and permit any such representatives to discuss the affairs, finances and condition of ANI with the officers thereof and independent accountants therefor; provided that ANI may participate in any discussions with its respective accountants; provided, further, that in the absence of the existence of an Event of Default, Ovation shall not exercise its rights under this Section 1.2 more often than two times during any fiscal year and each such time shall be at Ovation's expense; provided, further, that when an Event of Default exists, Ovation and its respective designees may do any of the foregoing at the expense of ANI at any time during normal business hours and upon reasonable advance notice.

Section 1.3 No Merger, etc. ANI shall not (i) consolidate or merge with or into or wind up into (whether or not ANI is the surviving entity), (ii) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its respective properties or assets, taken as a whole, in one or more related transactions, to any Person unless:

(a) ANI is the surviving Person formed by or surviving any such consolidation or merger (if other than ANI or the entity to whom such sale, assignment, transfer, lease, conveyance or other disposition will have been made is organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Person, the “**Successor Company**”));

(b) the Successor Company, if other than ANI, expressly assumes all the obligations of ANI hereunder or under the Escrow Agreement pursuant to documents reasonably satisfactory to Ovation; and

(c) immediately after such transaction, no Event of Default exists.

ANI shall promptly notify Ovation of any such transaction and shall take all required actions prior to such transaction.

Section 1.4 Representations. ANI hereby represents to Ovation that:

(a) It is duly organized and validly existing under the laws of the jurisdiction or incorporation and, if relevant under such law, in good standing.

(b) It has the power to execute this Agreement, the Escrow Agreement and any documents required by this Agreement, the Loan Agreement and the Escrow Agreement (collectively the “**Transaction Documents**”), to deliver and to perform its obligations under the Transaction Documents and has taken all necessary actions to authorize such execution, delivery and performance.

(c) Such execution, delivery and performance of this Agreement and the Escrow Agreement, and any other documents that are required by the Transaction Documents do not violate or conflict with any law applicable to it, any provision of its organizational documents,

any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) All governmental and other consents that are required to have been obtained by it with respect to this Agreement and the Escrow Agreement or any other documents relating to this Agreement or Escrow Agreement to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been satisfied.

(e) There is no fact known to ANI which materially adversely affects or in the future may (so far as ANI can now reasonably foresee) materially adversely affect the business, property or assets, or condition (financial or other) of ANI which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to Ovation by or on behalf of ANI prior to the date hereof in connection with the transactions contemplated hereby.

(f) ANI is not a party to any litigation or administrative proceeding, nor so far as is known by ANI is any litigation or administrative proceeding threatened against ANI which could, if adversely determined, cause any material adverse change in its property, financial condition or the conduct of the business of ANI.

(g) No event has occurred which either of itself or with the lapse of time or the giving of notice or both, would give any creditor of ANI the right to accelerate the maturity of any indebtedness of ANI for borrowed money. ANI is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, noncompliance with which could materially adversely affect its respective property, financial condition or business operations.

(h) The Escrow Agreements executed by ANI and the Escrow Holder constitute valid and legally binding obligations of the parties thereto, enforceable in accordance with its terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

Section 1.5 Affirmative Covenants.

(a) ANI will do or cause to be done all things reasonably necessary to:

- (i) preserve, renew and keep in full force and effect its legal existence under the laws of its jurisdiction of organization;
- (ii) do or cause to be done all things reasonably necessary to the conduct of its business; and
- (iii) comply in all material respects with applicable laws, rules, regulations and decrees and orders of any governmental authority, whether now in effect or hereafter enacted.

Section 1.6 Survival. The foregoing agreements shall remain operative and in full force and effect regardless of (i) the termination of the Loan Agreement, (ii) any amendment, supplement, modification or waiver thereof, (iii) the invalidity or unenforceability of any term or provision of the Loan Agreement or any Loan Document required thereunder or this Agreement (iv) or the content or accuracy of any representation or warranty made under the Loan Agreement or any other document required hereunder or thereunder.

Section 1.7 Choice of Law; Venue; Attorney's Fees. This Agreement shall be governed by the laws of the State of California. Any action arising under this Agreement shall be tried in the San Diego County Superior Court. If an action is commenced to enforce or interpret the terms of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees in addition to any other relief awarded.

Section 1.8 Assignment. ANI may not assign all or any part of this Agreement, and any purported assignment shall be void.


Signature page follows

IN WITNESS WHEREOF, ANI has caused this Agreement to be duly executed by its authorized officer as of the day and year first written above.

ANI Development, LLC

By 
Name: Gina Champion-Cain
Title: CEO

Ovation Finance Holdings 2 LLC
By: Ovation Fund Management II LLC, its Manager
By: Ovation Management, LLC, its Manager

By 
Michael Rovner, Manager