



Section A: Business Entity Information
1. Business Name: Cannabis of America LLC.
2. Organization Type (choose one): [X] For-profit [ ] Non-profit
3. Business Type (choose one): [ ] Corporation [X] Limited Liability Company [ ] Sole Proprietorship [ ] General Partnership [ ] Limited Partnership [ ] Other:
4. Phone: 914-618-2895 5. Fax: 203-651-1065 6. Email: info@empiregreenlabs.com
7. Business Address: 427 Manville Rd.
8. City: Pleasantville 9. State: NY 10. ZIP Code: 10570
11. Mailing Address (if different than Business Address):
12. City: 13. State: 14. ZIP Code:
Section B: Primary Contact Information
15. Name: Thomas Macre Sr. 16. Title: CEO
17. Phone: 203-641-7276 18. Fax: 203-799-3871 19. Email: tomsr@empiregreenlabs.com
20. Mailing Address: 284 Racebrook Rd.Suite # 217
21. City: Orange 22. State: CT 23. ZIP Code: 06477
Section C: Proposed Manufacturing Facility Information
24. Proposed Facility Name: Empire Green Labs Management Services
25. Proposed Facility Address: 42 Windsor Place
26. City: Central Islip 27. State: NY 28. ZIP Code: 11722
29. County: Suffolk
30. Property Status (choose one): [ ] Owned by the applicant [X] Leased by the applicant [ ] Other:
If you checked "Other" above, describe the property status in the field provided.
31. Proposed Hours of Operation:
Monday: 7:30 AM to 7:30 PM Friday: 7:30 AM to 7:30 PM
Tuesday: 7:30 AM to 7:30 PM Saturday: 7:30 AM to 7:30 PM
Wednesday: 7:30 AM to 7:30 PM Sunday: 7:30 AM to 7:30 PM
Thursday: 7:30 AM to 7:30 PM
An additional entry is included below for applicants who are proposing to use more than one manufacturing facility (responsible for cultivation, harvesting, extraction or other processing, packaging and labeling).



32. Proposed Facility Name:
33. Proposed Facility Address:
34. City: 35. State: NY 36. ZIP Code:
37. County: 38. Property Status (choose one):
39. Proposed Hours of Operation:
Section D: Proposed Dispensing Facility #1 Information
40. Proposed Facility Name: Empire Green Labs Compassionate Care I
41. Proposed Facility Address: 100 Garden City Plaza
42. City: Garden City 43. State: NY 44. ZIP Code: 11530
45. County: Nassua 46. Property Status (choose one):
47. Proposed Hours of Operation:
Section E: Proposed Dispensing Facility #2 Information
48. Proposed Facility Name: Empire Green Labs Compassionate Care II
49. Proposed Facility Address: 129 Court St.
50. City: White Plains 51. State: NY 52. ZIP Code: 10601
53. County: Westchester 54. Property Status (choose one):



55. Proposed Hours of Operation:

Monday: 12:00 PM to 7:00 PM Friday: 11:00 AM to 8:00 PM
Tuesday: 12:00 PM to 7:00 PM Saturday: 11:00 AM to 7:00 PM
Wednesday: 12:00 PM to 7:00 PM Sunday: 11:00 AM to 5:30 PM
Thursday: 12:00 PM to 7:00 PM

Section F: Proposed Dispensing Facility #3 Information

56. Proposed Facility Name: Empire Green Labs Compassionate Care III

57. Proposed Facility Address: 248 South Ave.

58. City: Poughkeepsie

59. State: NY

60. ZIP Code: 12601

61. County: Dutchess

62. Property Status (choose one):

- Owned by the applicant
Leased by the applicant
Other:

If you checked "Other" above, describe the property status in the field provided.

63. Proposed Hours of Operation:

Monday: 12:00 PM to 7:00 PM Friday: 11:00 AM to 8:00 PM
Tuesday: 12:00 PM to 7:00 PM Saturday: 11:00 AM to 7:00 PM
Wednesday: 12:00 PM to 7:00 PM Sunday: 11:00 AM to 5:30 PM
Thursday: 12:00 PM to 7:00 PM

Section G: Proposed Dispensing Facility #4 Information

64. Proposed Facility Name: Empire Green Labs Compassionate Care IV

65. Proposed Facility Address: 824 Loudon Rd.

66. City: Latham

67. State: NY

68. ZIP Code: 12110

69. County: Albany

70. Property Status (choose one):

- Owned by the applicant
Leased by the applicant
Other:

If you checked "Other" above, describe the property status in the field provided.

71. Proposed Hours of Operation:

Monday: 12:00 PM to 7:00 PM Friday: 11:00 AM to 8:00 PM
Tuesday: 12:00 PM to 7:00 PM Saturday: 11:00 AM to 7:00 PM
Wednesday: 12:00 PM to 7:00 PM Sunday: 11:00 AM to 5:30 PM
Thursday: 12:00 PM to 7:00 PM



Section H: Legal Disclosures

72. Has the applicant, any controlling person of the applicant, any manager, any principal stakeholder, any sole proprietor applicant, any general partner of a partnership applicant, any officer or member of the board of directors of a corporate applicant, or corporate general partner had a prior discharge in bankruptcy or been found insolvent in any court action? [ ]Yes [x]No

If the answer to this question is "Yes," a statement providing details of such bankruptcy or insolvency must be included with this application.

73. Does any controlling person of the applicant, any manager, any principal stakeholder, any sole proprietor applicant, any general partner of a partnership applicant, any officer or member of the board of directors of a corporate applicant, or corporate general partner, or a combination of such persons collectively, maintain a ten percent interest or greater in any firm, association, foundation, trust, partnership, corporation or other entity, and such entity will or may provide goods, leases, or services to the registered organization, the value of which is or would be five hundred dollars or more within any one year?

OR

Does any entity maintain a ten percent interest or greater in the applicant, and such entity will or may provide goods, leases, or services to the registered organization, the value of which is or would be five hundred dollars or more within any one year?

[ ]Yes [x]No

If the answer to either of these questions is "Yes," a statement with the name and address of the entity together with a description of the goods, leases, or services and the probable or anticipated cost to the registered organization, must be included with this application.

74.

A. Is the applicant a corporate subsidiary or affiliate of another corporation? [x]Yes [ ]No

If the answer to this question is "Yes," a statement setting forth the name and address of the parent or affiliate, the primary activities of the parent or affiliate, the interest in the applicant held by the parent or affiliate, and the extent to which the parent will be involved in the activities of the applicant, and responsible for the financial and contractual obligations of the subsidiary must be included with this application. The organizational and operational documents of the corporate subsidiary or affiliate must also be submitted, including but not limited to, as applicable: the certificate of incorporation, bylaws, articles of organization, partnership agreement, operating agreement, and all amendments thereto, and other applicable documents and agreements including in relation to the subsidiary or affiliate's financial or contractual obligations with respect to the applicant.

B. Is any owner, partner or member of the applicant not a natural person? [x]Yes [ ]No

If the answer to this question is "Yes," a statement must be included with this application setting forth the name and address of the entity, the primary activities of the entity, the interest in the applicant held by the entity, and the extent to which the entity will be involved in the activities of the applicant, and responsible for the financial and contractual obligations of the applicant. The organizational and operational documents of the entity must also be submitted, including but not limited to, as applicable: the certificate of incorporation, bylaws, articles of organization, partnership agreement, operating agreement, and all amendments thereto, and other applicable documents and agreements including in relation to the entity's financial or contractual obligations with respect to the applicant, and the identification of all those holding an interest or ownership in the entity and the percentage of interest or ownership held in the entity. If an interest or ownership in the entity is not held by a natural person, the information and documentation requested herein must be provided going back to the level of ownership by a natural person (Principal Stakeholder).



75. Has construction, lease, rental, or purchase of the manufacturing facility been completed? [X] Yes [ ] No

If the answer to this question is "No," a statement indicating the anticipated source and application of the funds to be used in such purchase, lease, rental or construction, as well as anticipated date that construction, lease, rental or purchase will be completed must be included with this application.

76. Has construction, lease, rental, or purchase of the dispensing facilities been completed? [X] Yes [ ] No

If the answer to this question is "No," a statement indicating the anticipated source and application of the funds to be used in such purchase, lease, rental or construction, as well as anticipated date that construction, lease, rental or purchase will be completed must be included with this application.

Section I: Required Attachments

Applications received without the required attachments will not be eligible for consideration until the required attachments are received. All such attachments must be postmarked by the Deadline for Submission of Applications.

77. [X] The applicant has enclosed a non-refundable application fee in the amount of \$10,000.

Applications received without the \$10,000 application fee will not be considered.

78. [X] The applicant has enclosed a conditionally refundable registration fee in the amount of \$200,000.

Applications received without the \$200,000 registration fee will not be considered.

The \$200,000 registration fee will be refunded to applicants that are not selected as registered organizations.

79. [X] The applicant has attached all required statements from Section H: Legal Disclosures, if applicable.

80. [X] The applicant has attached identification of all real property, buildings, and facilities that will be used in manufacturing and dispensing activities, pursuant to PHL § 3365 and 10 NYCRR § 1004.5(b)(2), and labeled this attachment as "Attachment A."

81. [X] The applicant has attached identification of all equipment that will be used to carry out the manufacturing, processing, transportation, distributing, sale, and dispensing activities described in the application and operating plan, pursuant to PHL § 3365 and 10 NYCRR § 1004.5(b)(3), and labeled this attachment as "Attachment B."

82. [X] The applicant has attached copies of all applicable executed and proposed deeds, leases, and rental agreements or executed option contracts related to the organization's real property interests, showing that the applicant possesses or has the right to use sufficient land, buildings, other premises, and equipment, and contains the language required in 10 NYCRR § 1004.5(b)(9), if applicable, or, in the alternative, the applicant attached proof that it has posted a bond of not less than \$2,000,000, pursuant to PHL § 3365 and 10 NYCRR § 1004.5(b)(9), and labeled this attachment as "Attachment C."



83.  The applicant has attached an operating plan that includes a detailed description of the applicant's manufacturing processes, transporting, distributing, sale and dispensing policies or procedures, and contains the components set forth in 10 NYCRR § 1004.5(b)(4), and labeled the operating plan as "**Attachment D – Operating Plan**" with the information clearly labeled and divided into the following sections:

- Section 1 - Manufacturing (§ 1004.5(b)(4))
- Section 2 - Transport and Distribution (§ 1004.5(b)(4))
- Section 3 - Dispensing and Sale (§ 1004.5(b)(4))
- Section 4 - Devices (§ 1004.5(b)(4)(i))
- Section 5 - Security and Control (§ 1004.5(b)(4)(ii))
- Section 6 - Standard Operating Procedure (§ 1004.5(b)(4)(iii))
- Section 7 - Quality Assurance Plans (§ 1004.5(b)(4)(iv))
- Section 8 - Returns, Complaints, Adverse Events and Recalls (§ 1004.5(b)(4)(v))
- Section 9 - Product Quality Assurance (§ 1004.5(b)(4)(vi))
- Section 10- Recordkeeping (§ 1004.5(b)(4)(vii))

84.  The applicant has attached copies of the organizational and operational documents of the applicant, pursuant 10 NYCRR § 1004.5(b)(5), which must include the identification of all those holding an interest or ownership in the applicant and the percentage of interest or ownership held, and labeled this attachment as "**Attachment E.**"

85.  "**Appendix A: Affidavit for Board Members, Officers, Managers, Owners, Partners, Principal Stakeholders, Directors, and Members**" has been completed for each of the board members, officers, managers, owners, partners, principal stakeholders, directors, and any person or entity that is a member of the applicant setting forth the information required in PHL § 3365(1)(a)(iv) and 10 NYCRR § 1004.5(b)(6).

86.  The applicant has attached documentation that the applicant has entered into a labor peace agreement with a bona fide labor organization that is actively engaged in representing or attempting to represent the applicant's employees, pursuant to PHL § 3365(1)(a)(iii) and 10 NYCRR § 1004.5(b)(7), and labeled this attachment as "**Attachment F.**"

87.  The applicant has attached a financial statement setting forth all elements and details of any business transactions connected with the application, including but not limited to all agreements and contracts for consultation and/or arranging for the assistance in preparing the application, pursuant to 10 NYCRR § 1004.5(b)(10), and labeled this attachment as "**Attachment G.**"

88.  The applicant has completed "**Appendix B – Architectural Program**" and included the components set forth in 10 NYCRR § 1004.5(b)(11) and -(12).

89.  The applicant has attached the security plan of the applicant's proposed manufacturing and dispensing facilities indicating how the applicant will comply with the requirements of Article 33 of the Public Health Law, 10 NYCRR Part 1004, and any other applicable state or local law, rule, or regulation, and labeled this attachment as "**Attachment H.**"

90.  The applicant has attached the most recent financial statement of the applicant prepared in accordance with generally accepted accounting principles (GAAP) applied on a consistent basis and certified by an independent certified public accountant, in accordance with the requirements of 10 NYCRR § 1004.5(b)(16), and labeled this attachment as "**Attachment I.**"

91.  The applicant has attached a staffing plan for staff to be involved in activities related to the cultivation of marijuana, the manufacturing and/or dispensing of approved medical marijuana products, and/or staff with oversight responsibilities for such activities that includes the requirements set forth in 10 NYCRR § 1004.5(b)(18) of the regulations and labeled this attachment as "**Attachment J.**"



- 92. [X] The applicant has attached proof from the local internet service provider(s) that all of the applicant's manufacturing and dispensing facilities are located in an area with internet connectivity and labeled this attachment as "Attachment K."
93. [X] The applicant has attached a timeline demonstrating the estimated timeframe from growing marijuana to production of a final approved product, and labeled this attachment as "Attachment L."
94. [X] The applicant has attached a statement and/or documentation showing that the applicant is able to comply with all applicable state and local laws and regulations relating to the activities in which it intends to engage under the registration, pursuant to 10 NYCRR § 1004.5(b)(8), and labeled this attachment as "Attachment M."

Section J: Attestation and Signature

As the chief executive officer duly authorized by the board of a corporate applicant, or a general partner or owner of a proprietary applicant, I hereby authorize the release of any and all applicant information of a confidential or privileged nature to the Department and its agents. If granted a registration, I hereby agree to ensure the registered organization uses the Seed-to-Sale Solution approved by the Department to record the registered organization's permitted activities. I hereby certify that the information provided in this application, including in any statement or attachments submitted herewith, is truthful and accurate. I understand that any material omissions, material errors, false statements, misrepresentations, or failure to provide any requested information may result in the denial of the application or other action as may be allowed by law.

95. Signature: Thomas Macre

96. Date Signed: 6/1/2015

97. Print Name: THOMAS MACRE

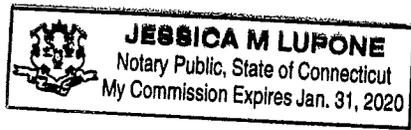
The application must include a handwritten signature by the chief executive officer duly authorized by the board of a corporate applicant, or a general partner or owner of a proprietary applicant, and must be notarized.

Notary Name: Jessica M Lupone

Notary Registration Number:

Notary (Notary Must Affix Stamp or Seal)

Date: 6/1/2015





EMPIRE GREEN LABS

**ATTACHMENT D**

**Section 3: Dispensing and Sales**

**FOIL EXCEPTION REQUESTED—SECTION CONTAINS TRADE SECRETS AND/OR  
INFRASTRUCTURE INFORMATION**

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EMPIRE GREEN LABS

**ATTACHMENT D**

**Section 4: Devices**

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SINCE IT CONTAINS TRADE SECRETS AND PROPRIETARY INFORMATION

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## **SAMPLE PRODUCT LABELS**

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**ATTACHMENT D**

**SECTION 5: SECURITY AND CONTROL**

**CONFIDENTIAL**

**CANNABIS OF AMERICA, LLC  
DBA  
EMPIRE GREEN LABS**

*Authored and Developed by*  
**Matt D. Cook, President**  
**COOK CONSULTING LLC**

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EMPIRE GREEN LABS

**ATTACHMENT D**

**Section 6: Standard Operating Procedures**

## **ATTACHMENT D**

### **Section 6: Standard Operating Procedures**

Included in Section 6 are the Standard Operating Procedures for the following:

1. Cultivation
2. Production
3. Internal Lab

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**ATTACHMENT D: SECTION 6**

**CANNABIS OF AMERICA, LLC  
D/B/A EMPIRE GREEN LABS**

**CULTIVATION: STANDARD OPERATING PROCEDURES**

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## **CULTIVATION STANDARD OPERATING PROCEDURES (SOPs)**

























































































**ATTACHMENT D: SECTION 6**

**STANDARD OPERATING PROCEDURES**

**PRODUCTION**





















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# **Laboratory Safety Manual**

## General Policy

**2015**

# Laboratory Safety Manual

## Introduction

### **FORWARD**

Empire Green Labs is committed to providing a safe work environment for learning, teaching and research. The following sections are meant to provide general laboratory safety procedures. Each project is different and project-specific hazards must be addressed by each supervisor/principal investigator when establishing proper work practices. It is each laboratory worker's duty to conduct their work in a responsible manner, and to take all necessary precautions to protect themselves and others in the area from exposures to hazardous materials.

# Laboratory Safety Manual

## Section 1

### Biological Safety

#### INTRODUCTION

##### PURPOSE

This section has been prepared to provide the laboratory personnel at Phytalab with the information necessary to protect them and the surrounding environment from hazards associated with the use of biological materials. The guidelines which follow provide a means for evaluating the risks of work involving biological materials and introduce the proper handling practices which will minimize the risk of an occupational acquired infection. History has shown that if not handled appropriately, infectious agents can be transmitted to laboratory employees, and rarely, to people outside of the laboratory. Biohazardous materials are those which are either known to cause, or that present a potential risk to the health of humans or animals. Such materials would include, but are not limited to: bacteria, fungi, viruses, parasites, rickettsia, rDNA toxins, human blood and unfixed human tissues.

## **ROUTES OF EXPOSURE**

There are four main routes of exposure that one must try to avoid when working with biohazardous agents in the laboratory. These would include percutaneous injuries, inhaling infectious aerosols, exposure to mucous membranes, and ingestion.

### **Percutaneous injuries**

Percutaneous injuries can result from needlesticks, cuts or abrasions from contaminated items. These exposures are particularly serious because of the potential for immediate entry of the agent into a normally sterile bloodstream. All sharps items should be handled and disposed of as noted in the Waste Management section.

### **Inhalation of aerosols**

Many laboratory procedures can cause the aerosolization of infectious agents. Some of these procedures include the use of vortexes, blenders and sonicators. Proper work practices must be implemented to minimize the aerosolization of all materials, especially those which are known to be transmitted by the aerosol route (e.g., Adenovirus, Vaccinia virus, *Mycobacterium tuberculosis*, etc.). See "Laboratory Equipment" for more information about minimizing and containing aerosols in the laboratory.

### **Mucous membrane**

Exposure of mucous membranes to infectious agents can lead to occupationally acquired infections. Mucocutaneous exposures can result from splashes to the eyes, nose or mouth, or by inadvertent inoculation via contaminated hands. Face protection should always be used if there is a likelihood of splash or splatter.

### **Ingestion**

Accidental ingestion of biohazardous materials can result from improper personal hygiene in the laboratory. Food and drink are prohibited in all areas of the laboratory in which work is conducted with potentially infectious materials. Hands must always be washed before leaving the laboratory, and immediately if visible contamination occurs.

## STANDARD LABORATORY PRACTICE AND TECHNIQUE

### Biohazard Warning Signage

A sign incorporating the universal biohazard symbol **must be posted** at the entrance to the laboratory when infectious agents are present.

**Biosafety Level 1:** The sign may include the name of the agent (s) in use, and the name and phone number of the laboratory supervisor or other responsible personnel.

**Biosafety Level 2:** Posted information must include the name of the agent (s), laboratory's biosafety level, supervisor's name (or other responsible personnel), telephone number, and required procedures for entering and exiting the laboratory.

### Personal Protective Equipment

Once a biological hazard has been identified, the supervisor and employee must agree on the appropriate personal protective equipment (PPE) to be worn as the primary barrier of protection. PPE may include, but is not limited to face protection, lab coats and gowns, respirators, and shoe-covers/booties. Supervisory personnel are responsible for the initial demonstration and periodic follow-up of proper use. Appropriate PPE should be donned before handling potentially hazardous biological materials and removed immediately and replaced if gross contamination of the equipment occurs. PPE should be removed before exiting the laboratory.

**Face Protection:** When splash or splatter of infectious substances or other biological materials is anticipated, appropriate face protection should be worn if work is performed outside a biological safety cabinet. Such equipment would include but is not limited to goggles, side-shielded safety glasses and chin length face shields.

**Lab Coats and Gowns:** Long sleeved lab coats or gowns should be worn to protect skin and street clothes from contamination. In circumstances when splash or splatter is anticipated, the garment must be resistant to liquid penetration. A cuffed lab coat or gown should be worn when working with potentially infectious materials. Reusable clothing should be laundered on-site or by a laundering service. Personnel should not launder laboratory clothing at home.

**Gloves:** Gloves should always be worn when handling biohazardous materials. Disposable gloves can provide an adequate barrier between the lab employee and most biohazardous materials.

**Respirators:** When engineering controls (i.e. BSCs) are not available to provide adequate protection against aerosolized agents or when mandated by federal regulations, respirators shall be worn.

**Disposable Shoe-covers/Booties:** When significant splash and splatter are anticipated, shoe-covers/booties should be considered. Prior to exiting the laboratory, these must be removed and disposed of properly.

### **Handwashing**

Hands should be washed as soon as possible when they come in contact with potentially infectious materials. A vigorous handwashing with a mild soap for 20 full seconds is appropriate. Hands should also be washed as soon as feasible after gloves are removed, and before exiting the laboratory.

### **Eating, Drinking, Smoking, Applying Cosmetics and Handling Contact Lenses**

Eating, drinking, smoking, applying cosmetics and handling contact lenses is prohibited in work areas in which potentially infectious materials are being manipulated. Food and drink must not be stored in refrigerators in which laboratory materials are kept.

### **Housekeeping**

Good housekeeping in laboratories can reduce the risk of accidents occurring. Work benches should be kept as clutter-free as feasible, and aisles should always be free of trip hazards. Benches should be wiped down with an approved disinfectant at least once a day and immediately after a spill of potentially infectious materials.

### **Pipetting**

Pipetting infectious agents can lead to personnel exposures by inhalation, contact, or ingestion if not performed properly. The following are a few safety precautions to be followed when pipetting in the laboratory: 1) Never mouth pipette; pipetting aids should always be used, 2) Pipette contents should be allowed to run down the wall of the container, making sure not to release the contents from a height, 3) Place absorbent paper on benchtops to reduce the risk of aerosols being generated by accidental dripping of infectious materials from pipette tips, and 4) Place disposable pipettes into pipette disposal boxes which have been lined with an autoclave bag, and then steam sterilize (autoclave) for 90 minutes at 121 degrees Celsius (see Waste Management Section).

### **Sharps**

The use of needles, glass pipettes, glass slides and cover slips, scalpels and lancets should be eliminated, when possible. Appropriate precautions should be taken to avoid percutaneous injuries. These items should be disposed of immediately after use by placing them in an appropriate puncture-resistant container. Bending, recapping or clipping of needles is prohibited. If recapping is absolutely necessary, a mechanical device or the one handed scoop method must be used. Plasticware should be used whenever possible, such as plastic graduated cylinders, funnels, aspirators, etc. Safety devices (i.e. mylar-coated capillary tubes, Eclipse safety needles) should be used when available.

### **Decontamination**

The purpose of decontamination is to make a hazardous material safe for further handling. A decontamination procedure can range from sterilization to simple cleaning with soap and water. The following includes a description of the four main categories of physical and chemical means of decontamination.

**Liquid Disinfection:** Many types of liquid disinfectants are available under a variety of trade names. The most practical use of liquid disinfectants is for surface decontamination. Agents

included in the category include, but are not limited to, quaternary ammonium compounds, phenolic compounds, halogens, aldehydes, alcohols and amines. **A tuberculocidal disinfectant or diluted household bleach should always be used for decontamination when human materials are handled.**

**NOTE:** When **household bleach** is used for the decontamination of spills, a fresh solution (at least 10% household bleach) must be prepared. Bleach solutions used for routine surface decontamination must be *made up at least weekly*. **Each solution container must be labeled with either a made-on or an expiration date.**

### Decontaminants and Their Use in Laboratories

Decontaminant	Active Ingredient/ Concentration	Temp (°C)	Contact time (min.)	Vegetative bacteria	Lipo viruses	Tubercle bacilli	Hydrophilic viruses	Bacterial spores
Autoclave	Steam	121	50-90	+	+	+	+	+
Incinerator	Heat	649- 929	1-60	+	+	+	+	+
Phenolic compounds	0.2-3%		10-30	+	+	+	±	-
Chlorine compounds	0.01-5%		10-30	+	+	+	+	±
Alcohol (ethyl or isopropyl)	70-85%		10-30	+	+	+	+	+
*Formaldehyde	4-8%		10-30	+	+	+	+	+
*Gluteraldehyde	2%		10-600	+	+	+	+	±
Hydrogen peroxide	6%		10-600	+	+	+	+	+

+ very positive response

± less positive response

- negative response

\*irritating characteristics of agent precludes use for routine spill cleanup

### BIOHAZARD SPILL CLEAN-UP

The following procedures should be followed to insure proper spill clean-up:

**Spill Involving Blood or Body Fluids:** Wear disposable gloves. Absorb fluids with disposable towels. Clean area of all visible fluids with detergent (soap/water). Decontaminate area with a freshly prepared

1:10 dilution of bleach: water if surface is porous. If surface is hard and smooth use a 1:100 dilution. Place all disposable materials into a plastic leak-proof bag for disposal.

**Spill Involving Concentrated Microorganisms Requiring Biosafety Level 2 Containment**

**(*Staphylococcus sp.*, adenoviruses, etc.):** Alert people in immediate area of spill. Put on appropriate protective equipment. Cover spill with paper towel or other absorbent materials. Carefully pour a freshly prepared 1:10 dilution of household bleach around the edges of the spill and then into the spill. Avoid splashing. Allow a 20 minute contact period. Use paper towels to wipe up the spill, working from the outer edges into the center. Clean spill area with fresh towels soaked in disinfectant. Discard disinfected disposal materials. Alternatively, items that do not contain large amounts of bleach may autoclaved for 90 minutes at 121 degrees Celsius before disposal.

**LAUNDERING OF LABORATORY CLOTHING (i.e., lab coats)**

All laboratory clothing which is used as protective equipment should be laundered by the employer at no cost to employees. Soiled clothing being collected for laundering should be in the Tierney laundry basket in the entry hall of the laboratory. Soiled laundry should only be handled by individuals wearing appropriate PPE and should never be taken home.

## WASTE MANAGEMENT

There is one primary methods for disposing of biological waste at Empire Green Labs.

**Chemical disinfection** is a treatment option for liquid biological waste. An example is household bleach. Small samples or old tissue culture material can be chemically disinfected by adding sufficient bleach to make a 10% (v:v) solution, allowing this solution to sit for 15 minutes and then pouring the material down the drain with ample water. Containers should still be placed in biohazard containers to be autoclaved.

## CATEGORIES OF BIOLOGICAL WASTE AND ACCEPTABLE TREATMENTS

Generally, biological waste is removed and autoclaved by work study on a weekly basis. Still, laboratory personnel should be familiar with the procedures of how to treat biological waste since work study is not guaranteed.

**Sharps** — Needles, syringes with attached needles, capillary tubes, glass pasture pipettes slides and cover slips, scalpel blades, razor blades, and broken glassware that is contaminated with biological material. These items should be placed in a puncture-resistant container (needlebox). There are two acceptable methods for disposal of needleboxes; 1) place in orange autoclavable bags and autoclaved before disposal or, 2) contact Lab Services for disposal (425-602-3440).

**Pipettes** — Pipette tips/serological pipette tips used to process human body fluids or cultures of infectious agents, should be placed in a “pipette” canister that is labeled with the biohazard symbol and lined with an orange autoclavable bag. Once filled, the bags should be removed and autoclaved before disposal. Non-infectious pipettes should also be placed in a puncture resistant container before disposal; however, it is not necessary to autoclave.

**Microbiological/Molecular Waste** — Includes cultures and stocks of etiologic agents and recombinant DNA/transgenics. Solid waste should be placed in orange autoclavable bags and steam sterilized (autoclaved) before disposal. Liquid biological waste (no hazardous chemicals) can be autoclaved or chemically treated (i.e. bleached) before disposal down the drain.

**Tissue Culture Wastes (Animal and Human)** — All solid waste should be discarded in orange autoclavable bags, and autoclaved before disposal. Liquid waste can be chemically disinfected (bleach) before disposal down the drain.

**Anatomical/Pathological Waste** — Organs, limbs, animal carcasses etc., which must be incinerated (Not Autoclaved!) for proper treatment. All animal and large human-derived anatomical/pathological waste should be submitted to Lab Services.

**Non-contaminated glassware** — Non-infectious materials should be discarded in a lined heavy duty cardboard box and taped shut before disposal. Do NOT use cardboard boxes with “biohazard” symbols printed on them, which implies biohazardous waste requiring special treatment.

**Solid Disposal Supply Wastes** — Disposable gloves, gauze, paper wrappings, parafilm, etc., that are minimally contaminated should be discarded in the large biohazard bins lined with an autoclave bag.

## BIOSAFETY LEVELS

Four biosafety levels (BSLs) are summarized in the table below for proper handling of biohazardous materials. BSLs consist of combinations of laboratory practices and techniques, safety equipment, and laboratory facilities. Each combination is specifically appropriate for the operations performed the documented or suspected routes of transmission of the infectious agents, and for the laboratory function tor activity. The Tierney Laboratory is capable of BSL level 2, depending on the level of laboratory practices your project chooses to adopt.

BSL	Agents	Practices	Safety Equipment (Primary Barriers)	Facilities (Secondary Barriers)
1	Not known to consistently cause diseases in immunocompetent adult humans	Standard microbiological practices	None required	Open bench top, sink required
2	Associated with human disease. Hazard: percutaneous injury, mucous membrane exposure, ingestion	BSL-1 practices plus: <ul style="list-style-type: none"> <li>• limited access</li> <li>• biohazard warning signs</li> <li>• sharps precautions</li> <li>• biosafety manual defining waste decontamination or medical surveillance policies</li> </ul>	Primary barriers: Class I or II biosafety cabinets or other physical containment devices used for all manipulations of agents that cause splashes or aerosols of infectious materials; PPE: laboratory coats, gloves, face protection as needed	BSL-1plus: <ul style="list-style-type: none"> <li>• non-fabric chairs and other furniture easily cleanable</li> <li>• autoclave available</li> <li>• eyewash readily available</li> </ul>
3	Indigenous or exotic agents with potential for aerosol transmission; disease may have serious or lethal consequences	BSL-2 practices plus: <ul style="list-style-type: none"> <li>• controlled access</li> <li>• decontamination of all wastes</li> <li>• decontamination of lab clothing before laundering</li> <li>• baseline serum</li> </ul>	Primary barriers: Class I or II biosafety cabinets or other physical containment devices used for all manipulations of agents; PPE: laboratory coats, gloves, respiratory protection as needed	BSL-2 plus: <ul style="list-style-type: none"> <li>• physical separation from access corridors</li> <li>• hands-free handwashing- sink</li> <li>• self-closing double door access</li> <li>• exhaust air not recirculated</li> <li>• negative airflow into laboratory</li> <li>• eyewash readily available in lab</li> </ul>
4	Dangerous/exotic agents which pose high risk of life-threatening disease, aerosol-transmitted lab infections; or related agents with unknown risk of transmission	BSL-3 practices plus: <ul style="list-style-type: none"> <li>• clothing change before entering</li> <li>• shower on exit</li> <li>• all material decontaminated on exit from facility</li> </ul>	Primary barriers: All procedures conducted in Class III biosafety cabinets or Class I or II biosafety cabinets in combination with full-body, air supplied positive pressure suit	BSL-3 plus: <ul style="list-style-type: none"> <li>• separate building or isolated zone</li> <li>• dedicated supply/exhaust, vacuum and decon system</li> </ul>

Summarized from **Biosafety in Microbiological and Biomedical Laboratories**, 5th Edition, 2007.  
<http://www.cdc.gov/od/ohs/biosfty/bmb15/bmb15toc.htm>

### Classification of Agents According to Risk

Biological agents are assigned to biosafety levels (BSL) based on the risk they pose to human health and the environment. Such factors as severity of disease caused by the agent routes of exposure, and virulence are used when determining the most appropriate BSL. EGL does not have a BSL certification.

### Biohazard Warning Signage

A sign incorporating the universal biohazard symbol **must be posted** at the entrance to the laboratory when infectious agents are present.

**Biosafety Level 1 (BSL-1):** The sign *may* include the name of the agent (s) in use, and the name and phone number of the laboratory supervisor or other responsible personnel.

**BSL-1** is suitable for work involving well-characterized agents not known to consistently cause disease in immunocompetent adult humans, and present minimal potential hazard to laboratory personnel and the environment. All bacterial, parasitic, fungal, viral, rickettsial, and chlamydial agents which have been assessed for risk but do not belong to a higher risk group can be safely handled at BSL-1. Be aware that many agents not ordinarily associated with disease are opportunistic pathogens and may cause infection in the young, the aged and immunocompromised individuals. Examples of agents handled at BSL-1 include: *Bacillus subtilis*, *Escherichia coli* -K12, *Naegleria gruberi*, etc.

**Biosafety Level 2 (BSL-2):** Posted information on the sign must include the name of the agent(s), laboratory's biosafety level, supervisor's name (or other responsible personnel), telephone number, and required procedures for entering and exiting the laboratory.

**BSL-2** builds upon BSL-1. BSL-2 is suitable for work involving agents that pose moderate hazards to personnel and the environment. It differs from BSL-1 in that: 1) laboratory personnel have specific training in handling pathogenic agents and are supervised by scientists competent in handling infectious agents and associated procedures; 2) access to the laboratory is restricted when work is being conducted; and 3) all procedures in which infectious aerosols or splashes may be created are conducted in BSCs or other physical containment equipment.

#### **BSL-2 Viral Agents:**

Adenovirus	Human Blood & Blood Products
Creutzfeld-Jacob agent	Kuru
Cytomegalovirus	Monkeypox virus
Eastern equine encephalitis	SIV
Epstein-Barr virus	Spongiform encephalopathies
Hepatitis A, B, C, D, E	Vaccinia virus
Herpes simplex viruses	HIV VSV (lab adapted strains)
HTLV types I and II	

**BSL-2 Bacterial/Rickettsial Agents:**

Campylocacter fetus, coli, jejuni  
Chlamydia psittaci, trachomatis  
Clostridium botulinum, tetani  
Corynebacterium diphtheriae  
Legionella spp  
Neisseria gonorrhoeae  
Neisseria meningitidis  
Pseudomonas pseudomallei  
Salmonella spp

Shigella boydii, dysenteriae,  
flexneri, sonnei  
Treponema pallidum  
Vibrio cholera  
(including El Tor)  
Vibrio parahemolyticus  
Vibrio vulnificus  
Yersinia pestis

**BSL-2 Fungal Agents:**

Blastomyces dermatitidis  
Cryptococcus neoformans  
Microsporum spp  
Exophiala dermatitidis (wangiella)

Fonsecaea pedrosoi  
Sporothrix schenkii  
Trichophyton spp

**BSL-2 Parasitic Agents:**

Entomeoeba histolytica  
Cryptosporidium spp  
Giardia spp  
Naegleria fowleri  
Plasmodium spp

Strongyloides spp  
Tania solium  
Toxoplasma spp  
Trypanosoma spp

## LABORATORY EQUIPMENT

### Biological Safety Cabinets (BSCs)

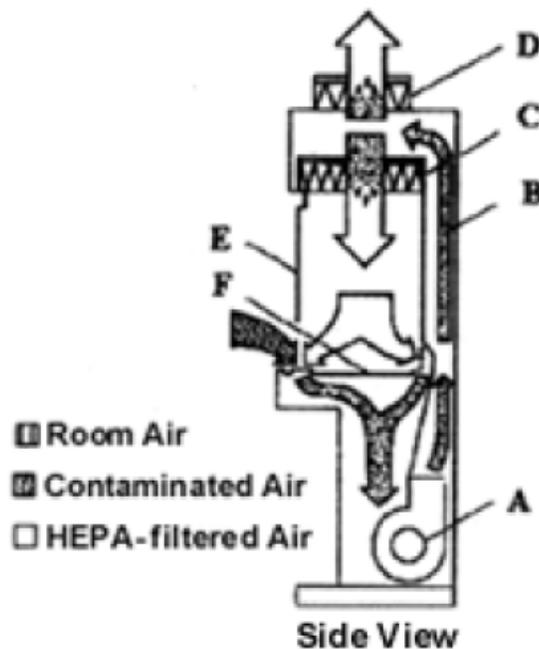
BSCs are the most commonly used primary containment devices in microbiological laboratories. There are three classes of BSCs (Class I, II, and III). When combined with appropriate microbiological techniques, each Class provides different levels of protection.

**Class I BSC** — provide both personnel and environmental protection, however, they do not provide product protection such as that needed for sterile tissue culture work. Class I BSCs are suitable for work with low to moderate risk agents.

**Class II BSC** — Class II BSCs provide environmental, personnel and product protection. The main difference between Class I and II cabinets is the HEPA filtration of the air flow down across the work surface of a Class II cabinet.

#### Class II, Type A BSC

- A. Blower
- B. Rear plenum
- C. Supply HEPA filter
- D. Exhaust
- E. Sash
- F. Work surface



#### *Things to Remember When Using a Class II BSC*

Keep front and rear perforated grills free of clutter. Cluttered grills can cause a disruption of air flow which can compromise personnel, environmental and product protection. Avoid sudden movements in and out of the cabinet. Also, avoid installing BSCs near windows or frequently used doorways. Each of these can disrupt airflow. Gas burners should not be used in the BSC. The heat disrupts air flow, the flame can damage the HEPA filter and gas can build up inside the work space due to recirculation of air. Volatile chemicals should not be used in Class II BSC. Don't store items on top of the cabinet. The HEPA filter could be damaged and the balance of air flow could be disrupted. Do not eat, drink, and chew gum or smoke near the cabinet. Doing this could result in ingestion of hazardous materials. Wipe down the cabinet interior with a surface disinfectant before and after all manipulations.

### **Certification of Biological Safety Cabinets**

BSCs are to be certified by a qualified 3<sup>rd</sup> party vendor (i.e. Technical Safety Services, Inc. (425)398-1979). These vendors are National Sanitation Foundation certified, and have demonstrated expertise in maintaining BSCs.

All cabinets in which human materials, infectious agents, or other potentially infectious materials are being used must be certified annually. Cabinets in which non-infectious materials are manipulated (i.e. sterile tissue culture) should be certified at least every two years, but annually is encouraged. All newly purchased or recently moved cabinets must be certified before they can be used for any type of work.

Any cabinet being used for work with infectious agents with the potential for aerosol transmission (i.e. vaccinia virus) must be decontaminated with formaldehyde gas prior to maintenance or relocation of the cabinet.

### **Centrifuges**

Centrifuges (including microhematocrit centrifuges) are commonly used in the laboratory environment. Centrifuges must be properly used and maintained to ensure safe operation.

The following are suggested practices:

- Refer to the owner's manual for routine maintenance requirements.
- Perform a visual inspection prior to each use (note unusual cracks, irregularities or wear).
- Verify proper loading of specimens to maintain balance.
- After starting, listen for unusual noises or vibrations until programmed speed is reached.
- Perform routine decontamination of interior surfaces using an appropriate disinfectant. Immediate decon is required when visible contamination is noted.
- Prevent the release of aerosols when centrifuging infectious materials that are spread via the aerosol route by using "safety devices", (i.e. sealed buckets, safety trunnion cups, and sealed heads). Safety cups must be opened in a BSC after centrifuging such materials to avoid the release of aerosols into the room.
- Spills should be addressed immediately by following established biological spill procedures. Special precautions should be taken when broken glass or other sharps may be involved.

### **Homogenizers, Vortexers and Sonic Disruptors**

These items are commonly used in laboratories, and are considered producers of aerosols. These may be used on the open benchtop; however, if potentially infectious materials are being processed they must be used in a BSC.

**Note:** Observe all other safety precautions when using the sonic disruptor. Do not use if you have not been trained and/or have read the manual and understand the additional risks associated with this equipment. Wear proper PPE including goggles or a face-shield, *ear protection*, mask/respirator and gloves. Do not touch the probe to the sides of a glass container when in operation and do not operate the probe when it is not in a solution. For further information the instruction manual is in the drawer beneath the disruptor.



## HUMAN BLOOD, BLOOD PRODUCTS, TISSUES AND BODY FLUIDS

In 1991, the Occupational Safety and Health Administration (OSHA) promulgated a standard to minimize the risk for occupational exposure to bloodborne pathogens (e.g., HIV, Hepatitis B). The regulation, titled Occupational Exposure to Bloodborne Pathogens mandates several provisions for those working with materials that are human-derived such as human blood, blood products, other bodily fluids and any unfixed tissues. The Plan must be readily available to all employees working with those materials mentioned above. *This includes all employees working with primary human cell lines, or human cell lines that have not been well characterized and tested for human pathogens.* The following are a few highlights of the Plan.

### **Universal Precautions**

Universal precautions are defined as handling all human blood, body fluids, and tissues as if they are infectious. This calls for the use of appropriate protective measures to reduce or eliminate the risk of occupational exposure.

### **Hepatitis B Vaccination**

All employees working with human blood, blood products, fresh tissues or bodily fluids shall be offered the Hepatitis B vaccine at no cost to them. If an employee should decline the vaccine, they must sign a waiver which is kept on file.

### **Safety Training**

All employees who work with materials (primary and well-characterized human cells, tissues, blood) covered by OSHA's Bloodborne Pathogen Standard are to receive initial safety training and annually thereafter. On-site general laboratory safety training can be requested. Laboratory-specific training is the responsibility of the Primary Investigator. Written **standard operating procedures (SOP) for agents used at BSL2** are required and should supplement this general lab safety manual for your lab-specific training.

## PACKAGING AND SHIPPING BIOLOGICAL MATERIALS

Although several agencies have published regulations or guidelines for the proper packaging and shipment of biological materials, the International Air Transport Association's (IATA) Dangerous Goods Regulations (DGR) governs all international shipments. Furthermore, all air transport of regulated biological materials (including domestic flights) must strictly adhere to the DGR.

**Checklist for Shipping Patient (animals and humans) Specimens** (for which there is minimal likelihood that pathogens are present)

### Specimen Packaging

- Specimen in leak-proof primary container
- Absorbent material is sufficient to absorb entire contents of primary container(s)
- Primary containers are wrapped individually
- Leak-proof secondary container

### Labeling Outer Container

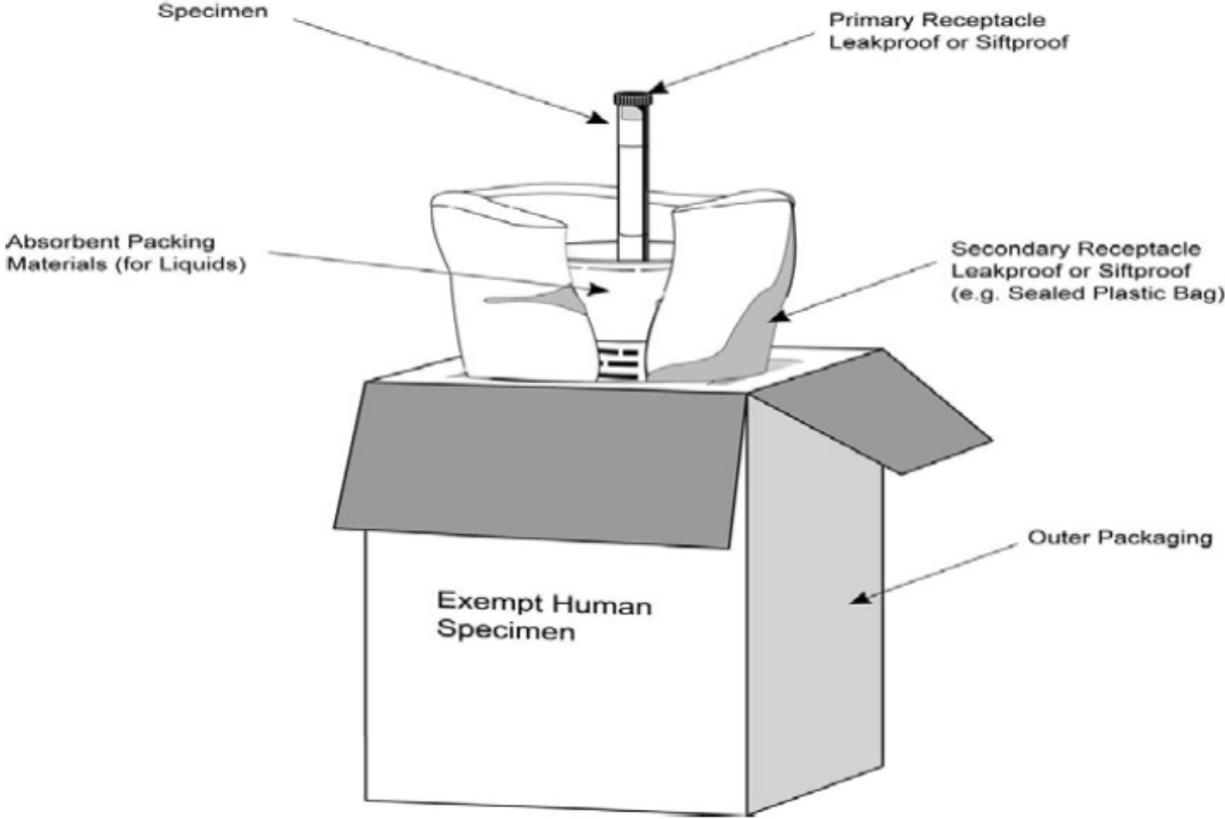
- Statement: "Exempt human specimen" or "Exempt animal specimen"
- Miscellaneous Class 9 label<sub>(2)</sub> if shipment contains dry ice, "UN 1845" and amount used in kg

### Completing the Airbill

- Name and address of shipper and recipient
- Check "Saturday Delivery" box if applicable
- In Section 6 (Special Handling) of the airbill, indicate that the shipment is NOT a dangerous good
- Check the "Dry Ice" box if applicable and indicate "UN 1845" and the quantity of dry ice in kg
- Shipper's signature (optional)

*Note: In determining whether a patient specimen has a minimal likelihood that pathogens are present; an element of professional judgment is required. That judgment should be based on the known medical history, symptoms and individual circumstances of the source, and endemic local conditions.*

# Example of Packing and Marking for Exempt Specimens



## Checklist for Shipping Biological Substance, Category B “Infectious Substances”

### Specimen Packaging

- Specimen in leak-proof primary container
- Absorbent material is sufficient to absorb entire contents of primary container(s)
- Primary containers are wrapped individually
- Leak- proof secondary container
- Itemized list of contents placed between secondary and outer container

### Labeling Outer Container

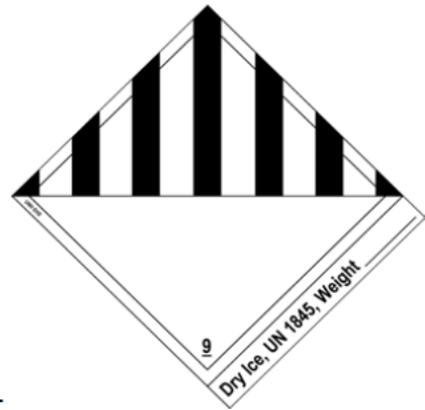
- UN 3373 label<sup>(1)</sup>
- Statement: “Biological Substance, Category B” adjacent to UN 3373 label
- Miscellaneous Class 9 label<sup>(2)</sup> if shipment contains dry ice, "UN 1845" and amount used in kg

### Completing the Airbill

- Name and address of shipper and recipient
- Check “Saturday Delivery” box if applicable
- In Section 6 (Special Handling) of the airbill, indicate that the shipment is a dangerous good, which does NOT require a Shipper’s Declaration
- Check the “Dry Ice” box if applicable and indicate “UN 1845” and the quantity of dry ice in kg
- Shipper’s signature (optional)

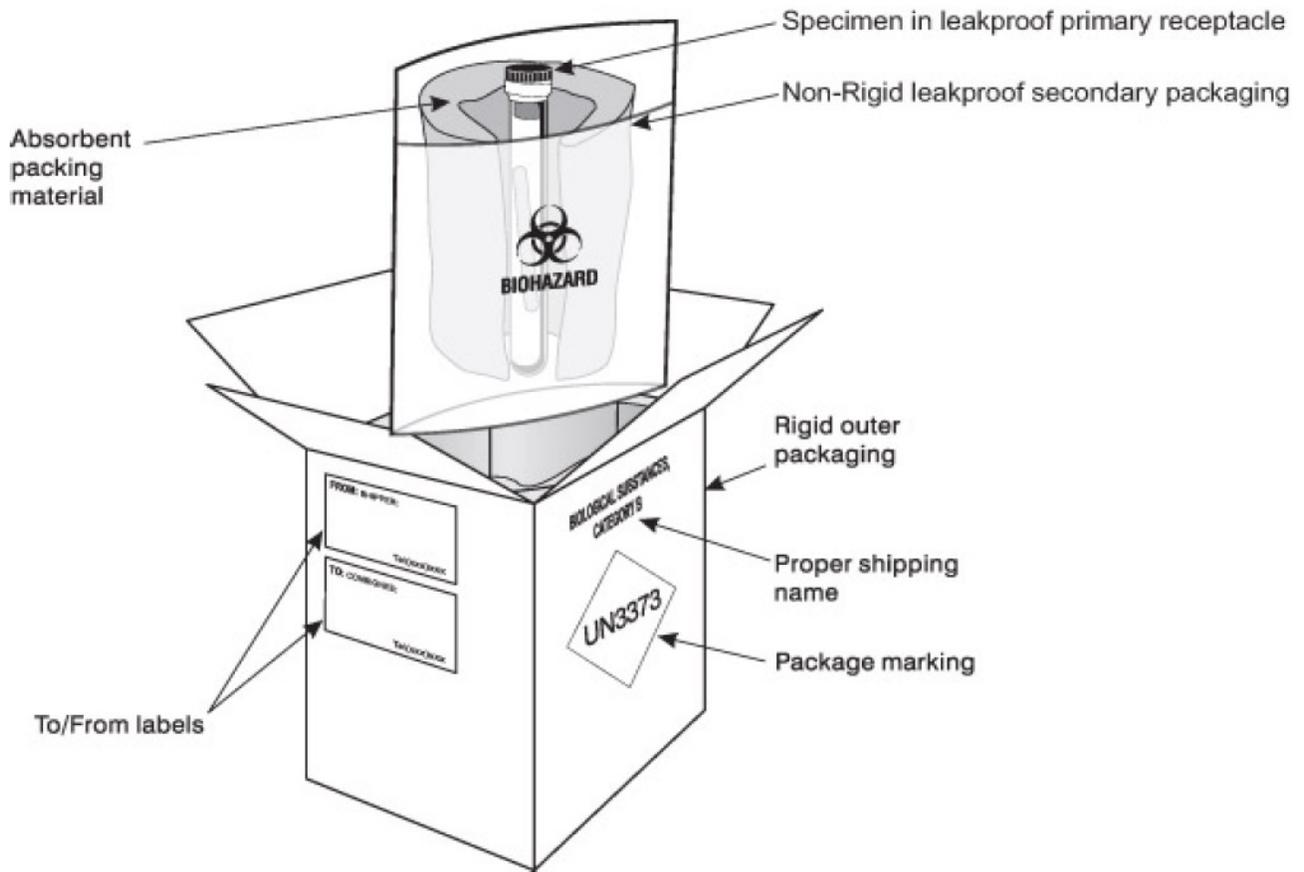


(1) -



(2) -

### Example of Category B, Infectious Substance Packaging



## Checklist for Shipping Category A Infectious Substances

### Specimen Packaging

- Specimen in leak-proof primary container
- Absorbent material is sufficient to absorb entire contents of primary container(s)
- Primary containers are wrapped individually
- Leakproof secondary container
- Itemized list of contents placed between secondary and outer container

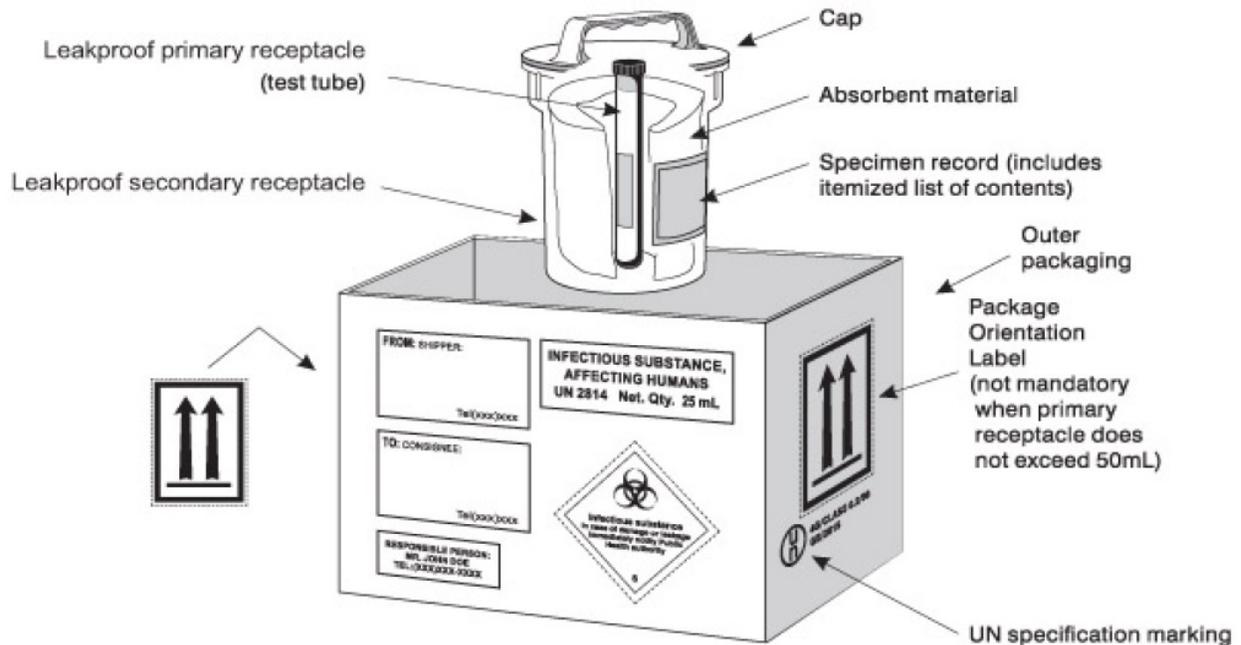
### Labeling Outer Container

- Infectious Substance, Class 6 label
- "Infectious Substance Affecting Humans", identification of agent in parentheses, "UN 2814" and net quantity of infectious substance
- Miscellaneous Class 9 label if shipment contains dry ice, "UN 1845" and amount used in kg
- Name and telephone number of a responsible person
- If shipment includes >50mL or 50g of a Category A infectious substance, then add a "Danger, do not load in passenger aircraft" label to the outer container

### Dangerous Goods Declaration Form

- Name, address and phone number of shipper and recipient
- Mark out non-applicable "Aircraft Box"
- Mark out non-applicable "Radioactive" box
- 24-hour emergency response telephone number
- Name and title of signatory, place, and date
- Shipper's signature

## Example of Packing and Marking for Category A, Infectious Substance



### ***Importation of agents or vectors of human disease***

Importation of infectious materials and vectors that may contain them is regulated by federal law. When an infectious agent is being imported into the United States, it must be accompanied by an importation permit which is issued by the United States Public Health Service (USPHS). Permits are issued only to the importer who must be located in the United States. Importation permit applications are available through the following: <http://www.cdc.gov/od/ohs/biosfty/imprtper/htm>

Shipping labels containing the universal biohazard symbol, the address of the importer, the permit number and expiration date are issued to the importer with the permit. The importer must send the labels and one or more copies of the permit to the shipper. The importation permit, with the proper packaging and labeling, will expedite clearance of the package of infectious materials through the USPHS Division of Quarantine and release by US Customs.

### ***Importation of etiologic agents of animals, and plant pests***

The United States Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) regulates the importation and domestic transfer of agents, which may pose a risk to animals or plants. A permit must be obtained prior to the receipt of any material that could pose a potential risk to animals or plants. The permitting procedures and forms are found at the following: <http://www.aphis.usda.gov/forms/index.html>

### **Select Agents**

The Department of Health and Human Services' 42 CFR Part 73, titled *Possession, Use, and Transfer of Select Agents and Toxins*, became law on February 7, 2002. All researchers who possess or plan to possess select agents must be registered with the Centers for Disease Control and Prevention. For a list of restricted agents and other Select Agent Program requirements, see the following:

<http://www.cdc.gov/od/sap/>

### **Proper Shipment of Non-Regulated Liquids**

Provisions must be made to ensure that all non-regulated liquids (i.e. buffers, water, etc.) are properly packaged to prevent leakage during transport. The packaging must be of good quality, strong enough to withstand shocks normally encountered during transport. A triple-packaging system similar to that prescribed for patient specimens (above) must be utilized. The following must be met.

- Liquid is placed in a **leak-proof primary container**
- **Absorbent material** must be placed around the primary container (sufficient amount to absorb entire contents of primary container)
- Primary container(s) and absorbent material(s) are placed into **leak-proof secondary container**.
- Inner packages (primary and secondary container) are placed into a sturdy outer container (i.e. cardboard box). Cushioning material is added between secondary container and outer shipper if deemed necessary.

## REFERENCES

*Biological Safety: Principles and Practices*; Fleming D, Hunt D, 4th ed., ASM, 2006

*Biosafety in Microbiological and Biomedical Laboratories*; 5th ed., CDC/NIH, 2007

*Primary Containment for Biohazards: Selection, Installation and Use of Biological Safety Cabinets*; 2nd ed., CDC/NIH, 2000

*Occupational Exposure to Bloodborne Pathogens*, Final Rule; 29CFR 1910.1030, OSHA, 1991

*2010 Dangerous Good Regulations*; International Air Transport Association, 51st Ed.

*Possession, Use, and Transfer of Select Agents and Toxins*; USDHHS, 42 CFR Part 73, 2009

# Laboratory Safety Manual

## Section 2

### Chemical Safety

#### EGL General Chemical Hygiene Plan

## INTRODUCTION

### PURPOSE

All laboratories using hazardous chemicals are required to comply with the Occupational Safety and Health Administration's 29 CFR 1910.1450, Occupational Exposure to Hazardous Chemicals in Laboratories. This standard requires that the employer develop a written Chemical Hygiene Plan (CHP), which is capable of protecting employees from the health hazards associated with hazardous chemicals in the laboratory.

This section of the Laboratory Safety Manual is EGL's general CHP and is intended to highlight general laboratory practices that are necessary for protecting workers from exposure to hazardous chemicals. **In addition, each laboratory/project will develop a written *laboratory-specific chemical hygiene plan* that will be made available to all laboratory staff.**

### DEFINITIONS

Definitions for selected terms used in this policy are included below. Please see paragraph (b) of OSHA's Hazardous Chemicals in Laboratories Standard (29 CFR 1910.1450) for additional definitions related to the chemical hygiene program.

**Chemical Hygiene Plan** – A written program developed and implemented by the employer which sets forth procedures, equipment, personal protective equipment and work practices that (A) are capable of protecting employees from the health hazards presented by hazardous chemicals used in that particular workplace and (B) meets the requirements of paragraph (e) OSHA's Hazardous Chemicals in Laboratories Standard (29 CFR 1910.1450).

**Chemical Hygiene Officer** – An employee who is designated by the employer, and who is qualified by training or experience, to provide technical guidance in the development and implementation of the provisions of the Chemical Hygiene Plan.

**Designated Area** – An area which may be used for work with "select carcinogens," reproductive toxins or substances which have a high degree of acute toxicity. A designated area may be the entire laboratory, an area of a laboratory or a device such as a laboratory hood.

**Hazardous Chemical** – Any chemical which is a physical hazard or a health hazard.

**Health hazard** – Includes chemicals which are carcinogens, toxic or highly toxic agents, reproductive toxins, irritants, corrosives, sensitizers, hepatotoxins, nephrotoxins, neurotoxins, agents which act on the hematopoietic systems, and agents which damage the lungs, skin, eyes, or mucous membranes.

**High Risk Procedures** – These are procedures which are likely to require engineering controls beyond those found in the standard laboratory; use of chemicals or toxins which require medical surveillance, vaccination, special antidotes, or exposure monitoring; and operations that pose significant risk of fire, explosion, or exposure to personnel if a malfunction were to occur (such as a utility outage, runaway reaction, broken container, or chemical spill).

**Laboratory** - A facility where the "laboratory use of hazardous chemicals" occurs. It is a workplace where relatively small quantities of hazardous chemicals are used on a non-production basis.

**Materials Safety Data Sheets (MSDSs)** – These information sheets are produced by the manufacturer or distributor of the product and contain chemical safety information, including chemical, physical, and toxicological properties, along with suggestions for safe handling, disposal, and emergency first aid procedures.

**Medical Consultation** – A consultation which takes place between an employee and a licensed health care provider for the purpose of determining what medical examinations or procedures, if any, are appropriate in cases where a significant exposure to a hazardous chemical may have taken place.

**Particularly Hazardous Substances** – PHSs include common chemicals that are “select” carcinogens, reproductive toxins, highly acute toxins, as well as substances that are highly reactive and/or are included in EPA’s list of Extremely Hazardous Substances or the Department of Homeland Security’s list of Chemicals of Interest.

**Physical hazard** – A chemical for which there is scientifically valid evidence that it is a combustible liquid, a compressed gas, explosive, flammable, an organic peroxide, an oxidizer pyrophoric, unstable (reactive) or water-reactive. (Definitions of each of these terms can be found in paragraph (b) of OSHA’s Hazardous Chemicals in Laboratories Standard (29 CFR 1910.1450)

## RESPONSIBILITIES

**Laboratory Director** shall:

- Ensure compliance with all requirements for chemical safety and hygiene within their respective departments.
- Provide direction on the departmental approach to developing and implementing laboratory specific Chemical Hygiene Plans.
- Develop and provide the general chemical safety and hygiene plan and general laboratory safety training.
- Monitor procurement, use, and disposal of chemicals used in the lab
- See that appropriate audits are maintained
- Develop precautions and adequate facilities
- Coordinate with Laboratory Safety/Chemical Hygiene Officer to ensure laboratory safety needs are adequate and being met
- Know the current legal requirements concerning regulated substances
- Seek ways to improve the chemical hygiene program
- Develop a list of chemicals which require additional control measures (Particularly Hazardous Substances).
- Review and approve high-risk procedures.
- Provide regular, formal chemical hygiene and housekeeping inspections including routine inspections of emergency equipment.

**Principal Investigators** shall designate a Laboratory Chemical Hygiene Officer when necessary

**Laboratory Safety/Chemical Hygiene Officers** shall develop and document the Project/Laboratory-Specific Chemical Hygiene Documentation for the lab/project, and ensure implementation (such as training and coordinating audits). Responsibilities for the Laboratory Chemical Hygiene Officer are described in the Laboratory-Specific Chemical Hygiene **Training employees on safe practices, project specific SOPs and chemical hygiene**

- Correcting work errors and dangerous conditions
- Maintaining a complete chemical inventory and MSDS records
- Investigating lab accidents and taking steps to avoid recurrence
- Encouraging a safe work environment
- Coordinate the procurement, use, and disposal of chemicals used by the project with the director
- See that appropriate audits are maintained
- Develop precautions and coordinate with director to provide adequate facilities
- Know the current legal requirements concerning regulated substances used by the project
- Seek ways to improve the chemical hygiene program
- Ensure that workers know and follow the chemical hygiene rules, that protective equipment is available and in working order, and that appropriate training has been provided
- Provide regular chemical hygiene and housekeeping inspections including routine inspections of emergency equipment used by their project
- Determine the required levels of protective apparel and equipment
- Ensure that facilities and training for use of any material being ordered are adequate

**Laboratory Employees and Students** shall plan and conduct laboratory operations in accordance with this Chemical Hygiene Plan and the Laboratory-Specific Documentation. Responsibilities for laboratory employees and students are described in the Laboratory-Specific Documentation.

**EGL shall:**

- Provide a safe working site by maintaining engineering controls such as showers, eyewash stations, fume hoods, etc.,
- Review the Chemical Hygiene Program annually and update as needed.
- Assist in emergency response for chemical spills.
- Investigate laboratory accidents, including injuries and exposures.
- Maintain employee exposure records.
- Provide medical consultation and surveillance as needed.
- Provide medical care for employees who have been injured or exposed to hazardous agents in the lab.

## PROCEDURES

### LABORATORY-SPECIFIC CHEMICAL HYGIENE PLAN

Each laboratory shall develop written documentation of the following:

- The identity of the laboratory and names of the laboratory safety coordinator, the Principal Investigator or Director, and any other person responsible for implementation of the site-specific chemical hygiene plan.
- The name of the chemical hygiene officer (or lab safety coordinator) for the lab/project.
- Contact information and emergency numbers for responsible parties and lab members.
- Emergency action plan.
- Inventory of Particularly Hazardous Substances. (A broader chemical inventory is encouraged.)
- Location of MSDSs.
- Lab-specific Standard Operating Procedures (SOPs) for unique chemical hazards not covered by this section and any highly hazardous chemicals and processes.
- Documentation of the Laboratory Director's approval for chemical High-Risk Procedures.
- Description of procedures for in-lab management of chemical waste disposal.
- Documentation of laboratory-specific training.
- Sign-off page to indicate that the CHP is accurate and has been reviewed (and updated as needed) on an annual basis.

## CHEMICAL HAZARD INFORMATION AND TRAINING

### Required Hazard Awareness Training

General Lab Safety Training:

Each laboratory employee and student shall be required to review this manual and receive general safety training from the Laboratory Director before beginning work in the lab and annually thereafter. ***Note: Due to the high turn-over rate of individuals working in the Tierney Laboratory, it is the responsibility of the employee/student and especially their supervisor to coordinate this training.***

Laboratory-Specific Training:

The Principal Investigator or Laboratory Safety Coordinator shall conduct laboratory-specific hazard awareness training for each laboratory employee or student before that person begins working in the lab. This training must cover all items specified in the laboratory-specific training checklist, included with the Laboratory-Specific Chemical Hygiene Documentation. This hazard awareness training shall be reviewed as necessary and any time a new hazard is introduced.

## **Required Sources of Chemical Hazard Information**

### **Labels:**

- Chemical containers from commercial suppliers will be labeled with the chemical name, hazard information, and the name and address of the manufacturer. Laboratories shall not remove or deface these labels.
- Containers that will be used only within the laboratory must be labeled with the chemical name and hazard information.
- Chemical containers that will be distributed outside of the originating laboratory must be labeled with the chemical name and hazard class, as well as the manufacturer (or name and location of the lab that synthesized the chemical).

### **Materials Safety Data Sheets (MSDSs):**

- MSDSs are chemical safety information sheets produced by the manufacturer or distributor of the product, listing chemical, physical, and toxicological properties, along with suggestions for safe handling, disposal, and emergency first aid procedures.
- MSDSs must be provided by all chemical manufacturers and distributors for the hazardous chemicals that they sell. The MSDSs are available online for most major manufacturers; smaller manufacturers may distribute paper copies with the product.
- Labs must retain copies of any MSDSs that they receive, and must provide employees with access to MSDSs for all chemicals in the laboratory. Labs may use the MSDS resources online to help them locate MSDSs.
- Electronic availability of these documents is an acceptable alternative to hardcopies only if the Principal Investigator or Laboratory Safety Coordinator has ensured that all laboratory personnel have demonstrated the ability to locate the necessary information and there is a backup means for obtaining an MSDS in the case of failure of the primary electronic system.
- General laboratory MSDSs are available at M:\Tierney Lab\Chemicals\MSDS\

### **Inventory of Particularly Hazardous Substances:**

Each laboratory is required to maintain an inventory (list) of all **Particularly Hazardous Substances**. Laboratories are encouraged to include other chemicals on the inventory as well.

Particularly Hazardous Substances are those chemicals which may present extreme risk potential to laboratory workers if not handled appropriately; therefore, these substances may require additional controls when used in the laboratory. A list of Particularly Hazardous Substances is available at M:\Tierney Lab\Safety\Resources\PHS\_by\_CAS.pdf (or PHS.xlsx). This list includes common chemicals that are “select” carcinogens, reproductive toxins, and highly acute toxins. This list also includes substances that are highly reactive and/or are included in EPA’s list of Extremely Hazardous Substances or the Department of Homeland Security’s list of Chemicals of Interest.

### **Regulations, Policies, and Procedures:**

*Hazardous Chemicals in Laboratories Standard* - The Occupational Safety and Health Administration published this standard, which requires employers to inform laboratory employees of chemical hazards and to limit employee exposures to these hazards. Available at:  
[http://www.osha.gov/pls/oshaweb/owadis.show\\_document?p\\_table=standards&p\\_id=10106](http://www.osha.gov/pls/oshaweb/owadis.show_document?p_table=standards&p_id=10106)

*Occupational Exposure Limits (OELs)* – The OELs are airborne concentrations that have been determined to be safe for employees for a set period of time. The Occupational Safety and Health Administration (OSHA) has published [Permissible Exposure Limits](#) (PELs) for a number of chemicals, and the American Conference of Governmental Industrial Hygienists (ACGIH), a professional organization, has published Threshold Limit Values (TLVs). PELs and/or TLVs, or exposure limits published by other countries, may be specified in the MSDS. Employees must be familiar with exposure limits for the chemicals in use in the lab.

### **Chemical Information for Materials Produced in the Laboratory:**

*Intra-laboratory use of chemicals of known composition* – when a chemical of known composition is produced and determined to be hazardous, the principal investigator or laboratory safety coordinator must ensure that personnel who use this chemical are provided with appropriate training and controls.

*Intra-laboratory use of chemicals of unknown composition* – when a chemical of unknown composition is produced in the laboratory, it must be considered a “Particularly Hazardous Substance” and handled accordingly. Each investigator or laboratory supervisor has the responsibility to identify and characterize these unknown chemicals as soon as possible so that it may be determined whether or not they are hazardous.

*Chemicals produced for inter-laboratory use* – If a lab produces a chemical for distribution outside of the laboratory, then all requirements of OSHA’s Hazard Communication Standard (29CFR1910.1200) must be met. The provisions of this standard include hazard determination, development of Labels, and preparation of Material Safety Data Sheets.

### **Recommended Chemical Safety Resources**

*Prudent Practices in the Laboratory* – Published by the National Research Council, this book is an essential resource for chemical hygiene and safety. Particularly useful are the Laboratory Chemical Safety Summaries included for many common laboratory chemicals in Appendix B. Available at: M:\Tierney Lab\Safety\Resources\Prudent Practices in the Laboratory.pdf

*Safety in Academic Chemistry Laboratories* – Published by The American Chemical Society, volume 1 (for students) and volume 2 (for faculty and administrators) provide a basic overview on preventing chemical-related accidents in the lab. Available at:

M:\Tierney Lab\Safety\Resources\SACL\_student (vol 1).pdf

M:\Tierney Lab\Safety\Resources\SACL\_faculty (vol 2).pdf

## SAFE USE OF CHEMICALS

### Overview of general strategy (hierarchy of controls)

The general strategy for keeping employees safe during work with chemicals (or other workplace hazards) is to use a hierarchy of controls that places emphasis on keeping hazards out of the workplace when possible. When use of hazardous chemicals is necessary, the preferred controls are those which remove the hazard from the workplace or place a barrier between the worker and the hazard (engineering controls) followed by work practices and personal protective equipment (PPE), which require more effort on the part of the individual employee.

### Elimination/substitution of hazards

When planning research or clinical laboratory activities, consider the hazards of the chemicals that will be used. If possible, select an alternative procedure that uses less hazardous chemicals, or that substitutes a less hazardous form of the same chemical. Here are some examples:

- Phosphate assay: Some phosphate assay methods require heating perchloric acid, which can create explosive crystals in fume hood ductwork. Instead, use a method that does not call for perchloric acid, or purchase a phosphate assay kit.
- Acrylamide gels: Acrylamide is a *Particularly Hazardous Substance* (possible human carcinogen). Avoid potential exposure to acrylamide powder by purchasing precast polyacrylamide gels.
- Xylene: Consider using PARAclear or another environmentally-safe clearing agent instead of xylene to reduce exposure and disposal concerns.

### Obtaining Permission for Chemical High-Risk Procedures

When planning research involving chemical High-Risk Procedures (see definitions), the Laboratory Chemical Hygiene Officer must obtain written permission from the Laboratory Director before beginning work. Some examples of chemical High Risk Procedures include use of the following:

- Large quantities of liquid nitrogen or other cryogens – For LN2, “large” is more than one LN2 freezer and one attached dewar per room, or filling a cryocart or cooler
- Hot, concentrated perchloric acid;
- Pyrophoric gases or other Particularly Hazardous Substances that are reactive;
- Botulinum toxin, tetanus toxin, or other toxins for which vaccination is recommended for laboratory employees;
- Hydrofluoric acid, MPTP, or other chemicals for which an antidote or specific first aid treatment is required; and
- Use of formaldehyde, methylene chloride, or other chemicals for which OSHA substance-specific standards may require exposure monitoring or training.

*In addition, written permission will be required for any scale-up of a previously approved high-risk procedure.*

## Controlling Exposures

**Engineering Controls** are designed to move an air contaminant away from employees and/or to create a barrier between a hazard and the employee. Some common types engineering controls are discussed below.

Chemical Fume Hoods are the primary containment devices used to protect personnel and the laboratory environment from hazardous chemicals that may become airborne through volatilization or aerosolization. Use a chemical fume hood when working with:

- *Particularly Hazardous Substances* that are volatile or that are in powder form,
- Other volatile compounds,
- Chemicals with a strong odor, or
- Nanomaterials.

Follow these work rules when working in a chemical fume hood:

- Make sure your fume hood has been certified within the last year. If not, contact your maintenance provider so that they can arrange for certification (often through a contractor).
- Check the air flow monitor before each use. It should show that the hood is under negative pressure. See instructions below if the hood is not functioning correctly.
- Keep the fume hood clear of clutter – only those materials necessary to the procedure at hand should be placed inside the hood's work space. Additional objects in the work space may affect the hood's air flow pattern and compromise employee safety.
- Keep the sash in the lowest practical position (and close the sash when hood is not in use).
- Perform work tasks 6-8 inches behind the hood opening.
- *A special note for working with perchloric acid – Using perchloric acid in a standard fume hood can lead to accumulation of explosive perchlorate salts in the ductwork. Before using heated (>150° C) OR concentrated (>85%) perchloric acid in any chemical fume hood, contact the Safety Committee for approval.*
- If your fume hood is not functioning properly, stop working in the hood, then close the sash and label the hood to indicate that it is not working. Contact the Laboratory Manager to initiate repair the hood. If hood contents could create a hazardous situation in the room (even with the sash down), leave the room and contact the Safety Officer and/or Laboratory Director.

Biological Safety Cabinets provide filtered air inside the cabinet, and filter the air that leaves the cabinet. Though some biological safety cabinets are exhausted, their exhaust ducts may be under positive pressure. These cabinets are primarily intended to protect employees from biological hazards and should not be used for chemical hazards unless there is no chemical fume hood available and the use has been approved.

Local Exhaust ventilation can be used where there is a localized source of chemical vapors that can be captured. Examples include snorkel-type exhaust and downdraft sinks. Local exhaust should only be installed with the involvement of EGL Science and Laboratory Directors.

Isolation devices physically separate a contaminant-generating process from the work environment. These will often involve a sealed plexiglass box, and may be combined with local exhaust.

Process modification involves changing the temperature or pressure at which an experiment is conducted, or using an inert gas or other change in the experimental procedure to reduce the likelihood of exposure or other incident.

**Procurement Controls** involve controlling employee exposures by making chemical purchasing decisions that enhance employee safety. For example, labs should

- *Order only needed amounts* – Order an amount that will be used in the foreseeable future; don't order larger quantities for the bulk discount. Having a larger amount on hand means that there is a greater potential for a harmful exposure (or, in the case of flammables, a fire), and may lead to additional disposal costs in the future.
- *Order a less hazardous form of the same chemical* – Use the logic below to help choose the least hazardous physical form that will work for your application.
  - Dilute solutions are generally safer than more concentrated solutions.
  - Aqueous solutions are generally safer to handle than powders requiring reconstitution.
  - Pellets, tablets, granules, or flakes are generally safer to handle than powders.
- *Purchase the chemical in a safer container* – Order chemicals in shatter-resistant containers or other containers that enhance employee safety.
  - Shatter-resistant containers – When ordering corrosives or highly flammable chemicals, choose containers that are less likely to break, such as metal, plastic, or PVC-coated glass. These options will reduce the risk of exposure if the container is dropped.
  - Pre-weighed vials with rubber septum – When ordering hazardous powders, consider purchasing in a pre-weighed vial with a rubber septum. This eliminates the need to handle the powder, as the diluent can be injected directly into the container.
- *Check the existing inventory before ordering* – Maintain a chemical inventory so that lab members can check the availability of a chemical in the lab before ordering more.

## Work Practice Controls:

*Housekeeping* – General housekeeping is often overlooked, but is very important in keeping laboratory employees /students safe.

- Never obstruct access to exits and emergency equipment such as eyewashes, drench hoses, and safety showers.
- Remove unnecessary items, broken/unused equipment, and empty boxes and bottles from the work area.
- Keep cords and cables out of the work area and away from walkways. Use cable management devices to bundle cords and cables together under desks and lab benches.
- Keep items off the floor so that your housekeeping service can clean effectively, and to reduce the risk of trips and falls.
- Occasionally wipe down bench-top surfaces to avoid contaminating the work or employees' clothing.

*Working alone* – Working alone with hazardous chemicals should be avoided if possible. If working alone will be necessary, seek the approval of the principal investigator or laboratory safety coordinator, and make sure that someone in the lab knows your plans.

*Unattended Experiments* – Experiments involving hazardous chemicals should not be left unattended, but if circumstances require that the experiment run when the lab is not occupied, seek the approval of the principal investigator or laboratory safety coordinator in advance.

*Safe use of laboratory equipment* –

- Use equipment only for its designated purpose.
- Be familiar with the manufacturer's instructions before using.
- Inspect equipment for damage; do not use damaged equipment.

*Care with sharps* – Handle and store laboratory glassware with care to avoid damage; do not use damaged glassware. Choose safe cutting devices – use of straight razors should be avoided in favor of safety scalpels or other alternatives.

*Manipulating chemicals* – Plan your work to minimize hand (glove) contact with chemicals. Handle chemicals in closed containers whenever possible, use care when pouring, and use tools that minimize glove contact with the chemical. Where contact with chemicals is unavoidable, select gloves that are impermeable to that chemical.

*Food and drink* – Food and drink shall not be consumed or stored in areas used for laboratory operations. If food and drink are to be allowed in the laboratory at all, there must be designated clean areas and all employees must observe good hygiene in these areas (no gloves, no contaminated objects moved from other parts of the lab into these areas).

*Personal Hygiene and standard work attire* –

- Wash hands before donning and after removing gloves, and any time that hands may be contaminated. In order to avoid contaminating "clean" surfaces, remove gloves before handling objects such as doorknobs, keyboards, telephones, and other objects that will be handled by coworkers without gloves.
- Wash hands before eating, drinking, smoking, or applying cosmetics.
- Confine long hair and loose clothing.
- Wear closed-toed shoes and minimize exposed skin.
- **If working with flammable materials, avoid wearing flammable clothing (such as many synthetics).**

- Wear standard personal protective equipment when in the lab and remove it before leaving the laboratory area.

## Storage/Transport/Disposal:

### *Chemical storage –*

- Store chemicals in quantities that are as low as practical.
- Make sure that all chemical containers are labeled. Commercial container labels should be retained; containers for use only in the lab must show the chemical name (and dilution, if applicable) and appropriate hazard warnings.
- Store chemicals in compatible storage groups, and away from incompatibles – compatibility information should be included on the chemical's MSDS.
  - For additional guidance, check the list of Compatible Storage Groups in *Prudent Practices in the Laboratory* (National Research Council).
  - Store acids and bases separately.
  - Store flammables and oxidizers separately.
  - Store corrosives away from metal (unless the metal has a corrosion-proof coating). Do not store corrosives under the sink.
  - Store water reactives away from sinks and water-based solutions.
- Follow the storage guidelines for flammable and combustible liquids, compressed gas cylinders, cryogenics, corrosives, and liquefied petroleum gases.
- Use unbreakable secondary containers (such as bins or bottle jackets) for high-hazard materials (including all PHSs).
- Periodically examine stored chemical containers for container and label integrity. Faded or damaged labels should be replaced. Leaking or damaged containers should be disposed.

### *Transporting chemicals –*

- Take precautions to avoid dropping or spilling chemicals. For example, observe the following practices:
  - When possible, have chemical purchases delivered directly to the laboratory.
  - Make sure that chemical containers are sealed during transport.
  - Carry breakable containers in specially-designed bottle carriers or leak-resistant, unbreakable secondary containers.
  - When transporting chemicals on a cart, use a cart that is suitable for the load and one that has high edges to contain leaks or spills. The cart should be capable of negotiating uneven surfaces without tipping the chemical container or the cart.
  - Transport chemicals by traveling least-trafficked routes.
  - Gas cylinders must be strapped to a hand truck specifically designed for that purpose.
  - Cylinder cover caps must be in place.
- Shipping of chemicals must be done in compliance with all applicable federal, state, and local laws.

*Managing chemical wastes –*

- All laboratories that produce chemical waste must dispose of this waste appropriately.
- *Due to the low volume of chemical waste produced at EGL, research and instructional laboratory chemical waste is disposed of annually by a third party chemical waste management company.*
- Hazardous chemical waste should never be poured down the sink; however some aqueous solutions are allowed to be poured down the sink in King county if they satisfy the following limits:

Arsenic	4.0 mg/L
Barium	100 mg/L
Beryllium	10 mg/L
Cadmium	0.6 mg/L
Chromium	5.0 mg/L
Copper	8.0 mg/L
Cyanide	3.0 mg/L
Lead	4.0 mg/L
Mercury	0.2 mg/L
Nickel	5.0 mg/L
Selenium	1.0 mg/L
Silver	3.0 mg/L
Zinc	10.0 mg/L
pH	5.5 - 12
Temperature	150 F
Hydrogen sulfide	10.0 mg/L
Fats, oil and grease (FOG)*	100 mg/L
Settleable solids	7 ml/L
Glutaraldehyde	4% in water
Formaldehyde	0.1% in water
Cidex OPA	0.01% in water
Ethanol	24% in water
Methanol	10% in water
Isopropanol	10% in water

\* FOG includes fats, oils and grease from plant, animal, mineral, or petroleum sources.

- Chemicals shall never be disposed of in the trash or via sanitary sewer without the prior approval of the Laboratory Director.
- All other hazardous wastes should be collected in appropriate containers for annual disposal.
- Waste containers should be labeled with the following:
  - Name of individual that started the container.
  - Date the first material was poured into the container.
  - Fill date – the date the container was considered full
  - Contents of the bottle including approximate percentages of each chemical, if less than 1% indicate *trace*

- If possible, chemical waste should be segregated in separate containers according to hazard class/contents, use the following categories to separate chemical waste:
  - Non-halogenated organic waste
  - Halogenated organic waste
  - Heavy metals
  - Oxidizers
  - Water sensitive
- Most chemical waste containers should be stored in the chemical fume hoods until annual removal; non-volatile, aqueous/solid waste can be stored outside of the fume hood with permission of the Laboratory Director.
- Avoid storing chemical wastes on the floor to reduce risk of spills. If storage on the floor is unavoidable, place the waste bottle in secondary containment.

### **Administrative Controls:**

*Work removal* – In some circumstances, it may be necessary to remove an employee from the workplace, or restrict employees from performing specific laboratory tasks that may adversely affect their health. In most cases, these restrictions will be related to employee sensitivity to chemicals or allergens in the workplace.

*Scheduling* – In some cases, scheduling may be used to reduce the intensity of exposure that any given employee has to a particular task in the laboratory. Scheduling a variety of tasks in a day will help to reduce ergonomic risk factors from static postures or repetitive motions. Limiting employees' daily chemical exposures by rotating employees or spreading high-hazard work over a longer time than would normally be used is not recommended - instead, engineering controls and work practices should be used to control chemical exposures.

*Limiting access to the laboratory* –

- Laboratory work areas with hazardous chemicals should be secured when unattended.
- If the laboratory plans to have visitors, they must be accompanied by laboratory personnel.

### **Personal Protective Equipment (PPE):**

Laboratories must comply with the Personal Protective Equipment Policy in the EGL Safety Manual.

Employees must be trained on use of PPE as outlined in the PPE Policy, whether appropriate PPE is documented in this policy, a chemical-specific SOP, or elsewhere. See below for standard laboratory PPE and guidelines describing when to use additional PPE.

*Gloves* – **Disposable nitrile gloves (4 to 8 mils thick)** should be worn when manipulating chemicals in containers, but they are not appropriate for heavy contact with many laboratory chemicals. Nitrile gloves offer better chemical protection than latex gloves, and eliminate the risk of latex sensitivity. (Employees with sensitivity to nitrile should check with the Laboratory Director for other glove recommendations.)

**NOTE: Replace gloves that have been exposed to chemicals or that appear worn.**

In some situations, disposable nitrile gloves may not offer adequate protection, including:

- Use of acids or organic chemicals, or heavy contact with any chemicals – standard nitrile gloves offer good protection for dry chemicals and water-based solutions, but only limited protection against some acids

and many organic chemicals. These gloves are not appropriate for heavy contact or total immersion with any chemicals. Use glove selection guides or manufacturer's recommendations to select a glove appropriate for the work being performed. This is especially important for tasks involving extended glove contact with chemicals.

- Work with sharps or puncture/scratch hazards – If working with chemicals around glassware or sharps, it is important to protect your hands (and your chemical gloves) from cuts and scratches because non-intact skin is more vulnerable to chemical exposures. In these cases, it is advisable to wear a cut-resistant glove over your chemical-resistant glove.
- Work with hot liquids or cryogenics – see the protective clothing section for guidance.

*Lab Coat/skin protection* – Lab coats should be worn (buttoned) whenever there is a possibility of splashes, spills, or other clothing contamination to lab personnel. Additional protective clothing may be indicated in some situations, including:

- Risk of splash with corrosive materials or chemicals that may absorb through the skin – In addition to the standard lab coat, impermeable aprons, sleeves and shoe coverings (or an impermeable coverall), should be worn.
- Risk of splash with cryogenics – In addition to the standard lab coat, wear an insulated apron and cryogen gloves.
- Risk of splash with hot liquids – In addition to the standard lab coat, wear a rubberized apron and heat-resistant impermeable gloves. Standard autoclave gloves are not appropriate for handling hot liquids.

*Eye/face protection* – Safety glasses should be worn in the laboratory when chemicals are being used. Safety goggles (not the same as safety glasses) should be worn whenever there is a risk of chemical splash, when working with glassware under reduced or elevated pressures, when handling potentially explosive compounds, and when handling glassware or liquids at high temperatures. If the risk of splash is high, a face shield should also be worn.

*Closed-toed shoes* – Closed-toed shoes should always be worn in laboratories.

*Respirators* – In situations where the laboratory fume hood or local exhaust does not adequately prevent inhalation exposure, respirators may be necessary.

## PREPARING FOR AND RESPONDING TO EMERGENCIES

*Types of incidents* - Each lab/project should consider the types of incidents that could have an adverse effect on people, research efforts, property, and/or the environment and engage in planning efforts aimed at mitigating the impact of the emergency (for example, arranging for critical laboratory equipment to be maintained on emergency power) and on the necessary response for each situation.

*Response actions* - For possible chemical-related incidents, the lab/project should consider the response actions that will be needed, such as use of spill pads, additional personal protective equipment, and emergency equipment.

*Written plan* - Where a response will be needed at the time of an emergency, a written plan should be prepared by the lab/project, describing the actions that will need to be taken.

### Preparedness

Each lab/project should make sure that it has the equipment and other resources available to implement its emergency plans. The following resources will be necessary for all research and clinical labs; if additional resources are needed, the Laboratory Safety Coordinator and PI should identify those resources in the written emergency plan, and make sure that they are available by planning with the Laboratory Director

*Emergency Response & Incident Reporting Guide* –Emergency Response guides are posted near the telephones in the lab. This guide lists emergency contacts and procedures for various types of incidents.

*Laboratory Contact List* - The Laboratory-Specific Chemical Hygiene Documentation must include an emergency contact list for laboratory employees, especially the Laboratory Director, Principal Investigator and Laboratory Safety Coordinator.

*Eyewashes and safety showers*- OSHA (29 CFR 1910.151(c)) requires that, “where the eyes or body of any person may be exposed to injurious corrosive materials, suitable facilities for quick drenching or flushing of the eyes and body shall be provided within the work area for immediate use.”

- Eyewashes are located on every sink in the research laboratories.
- Safety showers are located in room 72 (near the sink) and in room 86 (the main, central room of Tierney, near the sink).
- It is very important for laboratory employees to be familiar with the location of the nearest eyewash and safety shower. This must be covered in laboratory-specific training.

*Spill response kits* - Spill kits with appropriate instructions, adsorbents, and protective equipment are available in room 72 and room 86a of the Tierney lab to clean up small chemical spills.

- Laboratory employees generally will not have respiratory protection available to them and should not expect to clean up spills that involve hazardous concentrations of chemicals in the air.
- Laboratory employees should be familiar with the hazards (including volatility) of the chemicals they work with and should have a sense of the likely need for spill clean-up assistance and how to contact available outside assistance (See Emergency Response section below).

*Fire extinguishers* - See the Fire Safety Section of the Laboratory Safety Manual for information on the types of fires and appropriate fire extinguishers. Fire extinguishers are located in room 72 and Tierney lab and all lab workers should be shown their location during safety training.

*Earthquake safety* – All chemicals should be stored on shelves or cabinets with doors – preferably in lower cabinets. Glassware or glass bottles should also be stored on shelves/cabinets with lips or doors. Heavy objects should not be stored on overhead shelves. Additionally, it is strongly recommended that expensive or heavy equipment be secured to the wall using tethers and/or placed on anti-slide surfaces.

*Antidotes* - Some laboratory chemicals have acute exposure effects that may be relieved or minimized by an antidote. If applicable, the laboratory/project should make these antidotes available to laboratory workers. For example, those who work with hydrofluoric acid (HF) must stock calcium gluconate gel to be used as first aid in case of an HF burn. (Medical attention should still be sought immediately for HF burns.)

## **Emergency Response**

Minor chemical spills (those that the laboratory staff is capable of handling without assistance)

- Alert people in the immediate area of the spill.
- Avoid breathing vapors from spill.
- Turn off ignition and heat sources if spilled material is flammable.
- Put on appropriate personal protective equipment, such as safety goggles, suitable gloves, and long-sleeved lab coat.
- Confine spill to small area.
- Use appropriate kit to neutralize and absorb acids and bases.
- Use appropriate kit or spill pads for other chemicals.
- Collect residue, place in appropriate container, label the container for chemical waste disposal.
- Clean spill area with water.
- Fill out an Incident Report and submit it to the Laboratory Director

Chemical spill on body

- Flood exposed area with running water from faucet or safety shower for at least 15 minutes.
- Remove all contaminated clothing and shoes.
- If needed, obtain medical care from EMS by calling 911
- Report incident to supervisor and complete an Incident Report to submit to the Laboratory Director

Hazardous material splashed in the eye

- Immediately rinse eyeball and inner surface of eyelid with water continuously for 15 minutes.
- Forcibly hold eye open to effectively wash behind eyelids.
- Obtain medical attention care by calling 911
- Report incident to supervisor and complete an Incident Report to submit to the Laboratory Director

Major chemical spills

- Alert people in the area to evacuate.
- Turn off ignition and heat sources if spilled material is flammable.
- Call 911
- Attend to injured or contaminated persons and remove them from exposure.
- Have a person knowledgeable of the area (i.e. Lab Director) assist emergency personnel.

#### Personal Injury

- All work-related injuries and illnesses, regardless of the severity, must be reported to the supervisor.
- If needed, obtain medical care by calling 911
- Complete an Incident Report and submit to the Laboratory Director

#### Fire

- See the Fire Safety section of the Laboratory Safety Manual for specific emergency procedures related to a fire.
- Activate the Fire Alarm and call 9-911.
- If possible, contain or eliminate the fire with a fire extinguisher.
- If the fire continues to spread, leave the area and close the door.
- Close as many doors as possible as you make your way to the nearest exit

#### Earthquake

- Move away from any overhead chemicals and lower biological safety cabinet sashes.
- Drop to the floor if possible.
- Take cover under a sturdy desk or table. If it moves, move with it.
- Seek cover against a wall and protect your head and neck with your arms.
- Stand under a doorway if nothing else is available, but beware of swinging doors.
- Evacuate the building as soon as possible.

#### Other incidents affecting property or the environment

For EMERGENCIES that may impact building integrity and/or harm people:

- Evacuate the immediate area.
- Call 9-911
-

# Laboratory Safety Manual

## Section 3

### Fire Safety

#### INTRODUCTION

##### PURPOSE

Both flammable and combustible materials will be present at EGL. It is for this reason, that all laboratory employees should be aware of the risks in their work spaces and understand how to respond appropriately should a fire occur. Employees, who take the time to familiarize themselves with the location of safety devices (i.e., fire extinguishers, pull alarms, safety showers, fire blankets, etc.) and proper route of egress before an accident occurs, are more likely to respond to an emergency situation in a calm and efficient manner. Laboratory employees are encouraged to implement the RACE acronym in the case of a fire. RACE is defined as the following:

**R**emove all individuals from the affected area

**A**ctivate the pull alarm and dial 911

**C**lose all doors and windows

**E**xtinguish the fire

#### Safe Handling of Flammable Chemicals

Laboratory personnel should know the properties of individual chemicals with which they work. The more familiar one becomes with a chemical, the more likely he/she is to handle the chemical in a prudent manner. There are numerous safety resources available to all employees who may have questions regarding a particular chemical. If developed appropriately, the laboratory's chemical hygiene plan should contain written standard operating procedures for those chemicals that pose a fire risk in the laboratory. Material safety data sheets (MSDS) are available on the M-drive, as is consultation on safety practices for particular chemicals by the Laboratory Director. The following are several practices which should always be implemented when handling flammable chemicals:

- Flammable chemicals should be stored in appropriate areas within the laboratory and away from any potentially incompatible materials. Storage of flammable chemicals outside an approved flammable storage cabinet should be kept to a minimum.
- Purchases of flammable chemicals should be kept to a minimum.
- All sources of ignition (i.e., Bunsen burners, hot plates, electrical equipment, etc.) should be eliminated from areas in which flammable or combustible chemicals are used.
- Use the chemical fume hood to capture vapors when appreciable quantities of flammable substances are being used.
- Only those refrigerators and freezers approved for flammable storage should be used for the storage of flammable materials.
- Keep containers of flammable chemicals closed at all times when not in use.

## Defining Flammable and Combustible Liquids

### Flammable Liquids

Any liquid having a flash point below 100°F and having a vapor pressure exceeding 2068.6 mm Hg (40 psia) at 100°F.

**Class IA** — flash point below 73°F and B.P. at or below 100°F

**Class IB** — flash point below 73°F and B.P. above 100°F

**Class IC** — flash point at or above 73°F, but below 100°F

### Combustible Liquids

Any liquid having a flash point at or above 100°F

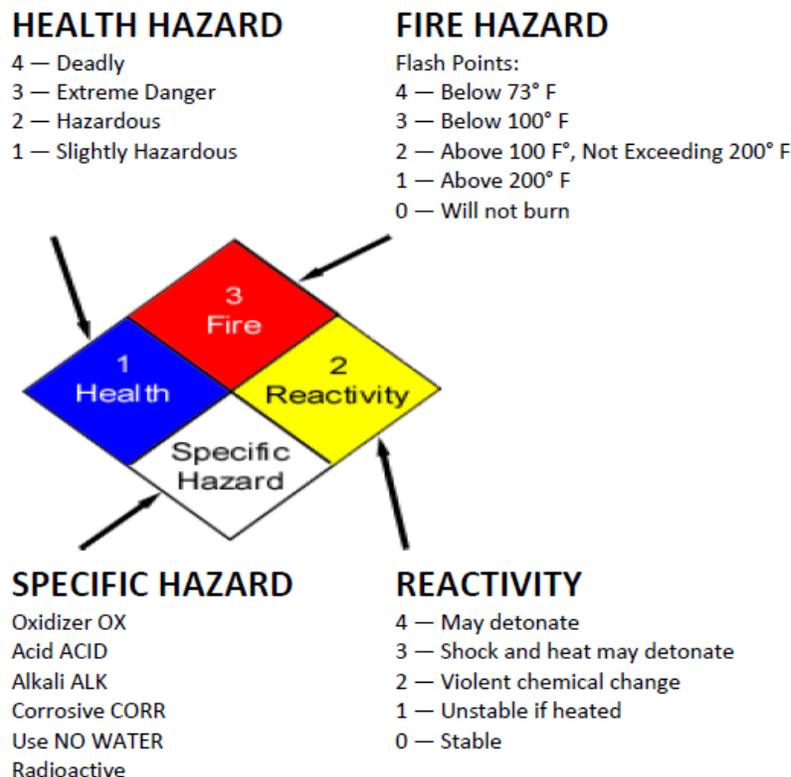
**Class II** — flash point at or above 100°F, but below 140°F.

**Class IIIA** — flash point at or above 140°F, but below 200°F.

**Class IIIB** — flash point at or above 200°F.

## National Fire Protection Association (NFPA) System for Classification of Hazards

The NFPA diamond is a symbol used to identify the hazards associated with a given chemical to rescue workers. Frequently this symbol is found on the sides of buildings where chemicals are stored and on chemical containers. Below are shown the various hazards symbolized by the diamond and the numerical code which indicates the severity of the hazard. Class IA & IB flammable liquids have an NFPA Fire Hazard rating of 4. Class IC flammable liquids are rated as 3. Combustible liquids are rated as 1, or 2. (See M:\Tierney Lab\Safety\Resources\hazmats\_nfpa704.pdf for more guidance)



## NFPA Fire Hazard Ratings of Some Common Laboratory Chemicals

	NFPA Rating	Flash Point (°C)	Boiling Point (°C)	Ignition Temp. (°C)
Acetaldehyde	4	-37.8	21.1	175
Acetic Acid (glacial)	2	39	118	463
Acetone	3	-18	56.07	465
Acetonitrile	3	6	82	524
Carbon disulfide	3	-30.0	46.1	90
Cyclohexane	3	-20.0	81.7	245
Diethylamine	3	-23	57	312
Diethyl ether	4	-45.0	35.0	160
Dimethyl sulfoxide	1	95	189	215
Ethyl alcohol	3	12.8	78.3	365
Heptane	3	-3.9	98.3	204
Hexane	3	-21.7	68.9	225
Hydrogen	4	---	-252	500
Isopropyl alcohol	3	11.7	82.8	3
Methyl alcohol	3	11.1	64.9	385
Methyl ethyl ketone	3	-6.1	80	515
Pentane	4	-40.0	36.1	260
Styrene	3	32.2	146.1	490
Tetrahydrofuran	3	-14	66	321
Toluene	3	4.4	110	480
p-Xylene	3	27.2	138.3	530

### Storage of Flammable and Combustible Liquids Outside of Flammable Storage Cabinets

- The maximum quantity of Class I Flammable Liquids outside an approved storage cabinet shall not exceed 2 gallons per 100 square feet of laboratory space.
- The combined maximum quantity of Class I, II and III Flammable Liquids and Combustibles outside an approved storage cabinet shall not exceed 5 gallons per 100 square feet of laboratory space.

- Chemical containers, not actively being used, should not be stored in the work area of chemical fume hoods. Too much clutter can disrupt air-flow patterns and potentially compromise worker protection.

### **Storage of Flammable Liquids in Refrigerators and Freezers**

- Refrigerators and freezers in the Tierney Research Laboratory are not suitable for storing flammable liquids – do not store flammable material in any freezer or refrigerator.

### **Classes of Fires**

**Class A** fires are those which involve ordinary combustible materials such as wood, paper or cloth. These fires should be extinguished by using a dry chemical extinguisher. Water is effective in extinguishing these type fires.

**Class B** fires are those which involve flammable liquids, gases, oil, paint and greases. Either dry chemical or carbon dioxide extinguishers should be used to extinguish these type fires. Note: flammable liquids may re-ignite after being extinguished. **DO NOT USE WATER!**

**Class C** fires are those which involve electricity. Either dry chemical or carbon dioxide extinguishers should be used to extinguish these type fires. **DO NOT USE WATER!**

**Class D** fires are those which involve combustible metals such as magnesium or sodium. Water can react with sodium and other alkali metals explosively, therefore **DO NOT USE WATER!** Also understand that CO<sub>2</sub> extinguishers are unlikely to be able to contain a Class D fire.

### **Fire Extinguishers**

There are three basic types of portable fire extinguishers, these include dry chemical, carbon dioxide and halotron extinguishers. Dry chemical extinguishers are the primary type found at EGL. These devices are to be used to extinguish small or beginning fires.

#### **CO<sub>2</sub> Fire Extinguishers**

The carbon dioxide extinguisher is rated to extinguish Class B and C fires. The carbon dioxide is in the extinguisher as a liquid under pressure, and is discharged as a gas. Extinguishing is accomplished by removing the oxygen from the fire. Carbon dioxide is a “clean” agent which will evaporate and leave no residue.

#### **Dry Chemical Extinguishers**

Dry chemical extinguishers are intended for use on Class A, B or C fires. Best results are obtained by attacking the near edge of the fire and progressing forward, moving the nozzle rapidly with a side-to-

side sweeping motion. Discharge should be continued after flames are extinguished (especially on Class A fires) to prevent possible re-ignition.

### **Halotron Extinguishers**

Halotron is a clean fire extinguishing agent which is a safe and environmentally acceptable replacement for halon 1211. Halotron, which is discharged as a liquid which rapidly evaporates.

All employees should be familiar with the location of extinguishers in his or her work area (demonstrated in general safety training). In order to operate an extinguisher appropriately, one should implement the PASS acronym which stands for:

**P**—Pull the pin

**A**—Aim the nozzle at the base of a fire

**S**—Squeeze the handle

**S**—Sweep the base of the fire

## **Laboratory Specific Fire Safety Plan**

EGL adheres to a a general Fire Safety policy. All personnel are responsible for the knowledge and compliance with this policy.

**R** = Remove all persons in immediate danger to safety. This includes visitors, students, or employees.

**A** = Activate manual pull station/dial 9-11 from your cellphone

**C** = Close all doors, windows to prevent the spread of smoke and fire.

**E** = Extinguish the fire.

All staff should be trained to use the extinguishers located in the laboratories.

The fire will need to be contained until the arrival of the fire department personnel. This can be accomplished by closing doors. The fire can be suppressed using the fire extinguishers located in the immediate area.

Employees are also expected to use the P.A.S.S. procedure when extinguishing the fire.

**P** = Pull the pin on the extinguisher

**A** = Aim at the base of the fire

**S** = Squeeze the handles together

**S** = Sweep the fire from side to side

## **The use and function of the fire alarm system and life safety system**

**Smoke detectors —**

**Activation of the building fire alarm will require the immediate evacuation of the facility.**

## **The roles and responsibilities in preparing for laboratory evacuation.**

All staff will use the R.A.C.E. to evacuate visitors and themselves.

All personnel will know all exits that can be used for evacuation. Evacuation plans should be consulted to pre-determine the location of these exits. The best route will have to be determined at the time, considering the location of the fire. Avoid opening automatic fire doors as part of your evacuation route.

**DO NOT USE ELEVATORS FOR EVACUATION!**

## **The procedures personnel must follow to contain smoke and fire through building compartmentalization procedures:**

Fire walls and fire doors are designed and constructed with a specific fire resistance rating to limit the spread of fire and restrict the spread of smoke. During evacuation, do not open or go through a fire door unless no other option is available. If necessary, you should always feel a fire door for heat before opening it; if it is hot or warm to the touch do not open the fire-door.

## **REFERENCES**

*Fire Protection; 29 CFR 1910 Subpart L*  
*National Fire Protection Association (NFPA) Standards*

## General Laboratory Safety Training Agreement

I have read and understand the contents of the Laboratory Safety Manual and received general laboratory training from the Laboratory Director. I agree to follow the guidelines set forth.

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Date \_\_\_\_\_

Approved by: \_\_\_\_\_

Date: \_\_\_\_\_

	<b>Lab Operations Document</b>	Procedure No:	Doc. # 06
	Title: <b>Routine Maintenance Schedule for all Laboratory Equipment</b>	Version No:	
		Issue date:	
		Page:	1 of 2
Prepared by		Approved By	
		Review Date	

### 1.0 PURPOSE

This document summarizes the overall routine maintenance schedule for laboratory equipment.

### 2.0 SCOPE

The Routine Maintenance Schedule applies to all laboratory equipment requiring scheduled routine maintenance.

### 3.0 RESPONSIBILITY

The Laboratory Manager is responsible for managing routine maintenance for laboratory equipment.

### 4.0 MATERIALS

None

### 5.0 EQUIPMENT REQUIRING ROUTINE MAINTENANCE

- Adam PGW 1502i Precision Balance
- Adam PW 254 Analytical Balance
- Adam PMB 53 Moisture Analyzer
- Binder BF53-UL Incubators
- Labconco Fume Hood
- Nunaire Laminar Flow Hood
- VWR Vacuum Oven
- Eppendorf AG Centrifuge
- Smart Pure 3 UV/UF (Standard System + UV-Photo-oxidation + Ultrafiltration Module)
- Agilent 1100 Series HPLC
- Headspace GC

### 6.0 ROUTINE MAINTENANCE SCHEDULE

Weekly:

- Smart2Pure water filtration system – record: resistance of ultra pure water [MΩxcm], temperature of ultra pure water [°C], flow rate of ultra pure water [L/min], resistance of permeate [MΩxcm], flow rate of permeate [L/h], flow rate of concentrate [L/h].

Monthly:

- Eppendorf AG Centrifuge – check rotor and housing for residue and corrosion

3 months:

- Nunaire Laminar Flow Hood – replace prefilters.
- Agilent 1100 Series HPLC: replace guard column cartridge, column (may be longer depending on performance)
- Headspace GC: injection septa (may be longer depending on performance)

6 months:

- Agilent 1100 Series HPLC: solvent reservoir filters
- Headspace GC: gas filter (may be annual depending on performance)

Annual:

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	<b>Lab Operations Document</b>	Procedure No:	Doc. # 06
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Prepared by	Approved By	Review Date
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- Adam PGW 1502i Precision Balance – calibration.
- Adam PW 254 Analytical Balance – calibration.
- Adam PMB 53 Moisture Analyzer – calibration.
- Smart2Pure water filtration system – clean & disinfect, change pretreatment cartridge, change filter cartridge, change sterile filter capsule.
- Labconco Fume Hood – lubricate exhaust motor.
- Binder BF53-UL Incubators – service
- Agilent 1100 Series HPLC: autosampler needle  
Biannual:
- Nunaire Laminar Flow Hood – replace UV lamp.

## 7.0 DOCUMENTATION

### Equipment Inventory List

Equipment Manuals (stored in the filing cabinet or electronically with the Lab Manager)

- Adam PGW 1502i Precision Balance: P.N. 8080, Revision D3, January 2007
- Adam PW 254 Analytical Balance: P.N. 8081, Revision E4, September 2007
- Adam PMB 53 Moisture Analyzer: PMB Moisture Analyzer (Adam Equipment) manual (P.N. 9618, Revision E2, April 2010).
- Binder BF53-UL Incubators: Art. No. 7001-0081, Issue 07/2007
- Labconco Fume Hood: Labcoco 48, 60, & 72 Instruction Manual Protector Laboratory Hoods, Form 48937 REV M/ECO 8481
- Nunaire Laminar Flow Hood: Horizontal Laminar Flow Clean Work Bench Model NU-201 Series Operation and Maintenance Manual
- VWR Vacuum Oven: Operation Manual (Version 1.5.1) Man. 148 (12 Oct 2010)
- Eppendorf AG Centrifuge: Centrifuge 5804/5804 R/5810/5810 R Instruction Manual 2005
- Smart Pure 3 UV/UF: Operating Instructions, 50129848
- Agilent 1100 Series HPLC Value System User's Guide - Part No. G1380-90000
- Agilent 1100 Series Degasser Reference Manual
- Agilent 1100 Series Quaternary Pump Reference Manual - Part No. G1311-90003
- Agilent 1100 Series ALS Reference Manual
- Agilent 1100 Series Colcom Reference Manual
- Agilent 1100 Series DAD Reference Manual
- Headspace GC

## 8.0 SAFETY

N/A

## 9.0 TRAINING REQUIREMENTS

N/A

## 10.0 ATTACHMENTS

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**ATTACHMENT D**

**Section 7: Quality Assurance**

## ATTACHMENT D: SECTION 7—QUALITY ASSURANCE

### INTERNAL TESTING LAB

#### Importance of Formulations in Treating Patients:

Marijuana is likely most effective when the active ingredients (cannabinoids, terpenoids, flavonoids etc.) are delivered within the context of all phytochemical naturally occurring classes. Specifically terpenoids, a closely related class of molecules to cannabinoids, will guide the specific effects of marijuana products. Four principle **mechanisms** have been described that may explain how these and other classes of compounds may work together for pharmacologic effects: 1) multi-target effects; 2) pharmacokinetic effects (improved solubility or bioavailability); 3) agent interactions, affecting bacterial resistance; and 4) modulation of adverse events. The therapeutic index of isolated THC is limited, but as our scientific knowledge of therapeutic potential of other cannabinoids as well as other classes of compounds has increased, the obvious complementary biological effects of these compounds is more informed.

**Synergy** is the interaction of two or more agents that combine for a greater effect than the sum of individual effects. This effect has also been call “entourage”, and in the case of *Marijuana*, there is good evidence that other compounds enhance or modify the effects of others such as THC. Some of the purported mechanisms are: modulating inflammation; controlling anxiety; anti-depressive action; anti-oxidant; and antimicrobial effects. A wide range of biological activity has been reported for volatile compounds and cannabinoids such as antimicrobial, anti-inflammatory, neuroprotective, anti-oxidant, sedative, analgesic, anti-parasitic, anxiolytic, behaviorally-modifying, and anti-spasmodic and anti-cancer.

This synergy is likely the reason why many patients maintain a preference for using the **whole plant** *Marijuana* over a prescription for Marinol (THC alone). Patients report “unpleasant” (dysphoric) effects more often with Marinol than with a whole plant extract known as Sativex (nabiximols, GW Pharmaceuticals, UK) or smoked marijuana. The “unpleasant” effect reported with Marinol is likely due to the active metabolite of delta-9 THC, 11-hydroxy THC, which has been reported to be more potent at the CB1 receptor than delta-9 THC. In addition, the secondary cannabinoid, cannabidiolic acid (CBDA) and its’ heat transformation product cannabidiol (CBD), when present in the whole plant, modulates the psychoactivity of delta-9 THC. Terpenoids 1) regulate the effects of THC or 2) have their own unique pharmacologic effects.

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Brands: Because every individual has an endocannabinoid system, and this system varies between individuals and across disease states, the dose and ratio of cannabinoids are important factors to consider in formulating for patients. Also because patients will metabolize cannabinoids at different rates and have varied enzyme function for metabolizing, small metered doses that can be upwardly titrated will be the norm. EGL will offer 5 brands intended to meet the needs of every patient scenario and in various administration forms. (Table 1)

**Table 1: New York Empire Green Labs Brands**

	BRAND				
	1	2	3	4	5
	CBD:THC	CBD:THC	THC:CBD	THC:CBD	THC:CBD
CANNABINOID RATIO	20 to 1	10 to 1	1 to 1	2 to 1	4 to 1

Forms: Plant cannabinoids are highly bioavailable (10-30 %) when inhaled, and have a high volume of distribution (VD 10L/kg). 60-90% percent of the compounds are bound to lipoproteins and 3% are unbound in the blood stream. Peak plasma concentrations occur at about 6-10 minutes post-inhalation (similar to IV administration). The effects from inhalation are first felt from 0-10 minutes after inhaling, and last about 2-3 hours. Inhaled products are highly desirable and broadly applicable for patients. (See Table 2)

**Table 2: Administration Routes**

Route of Administration	Time to Take Effect	Duration of Relief
Inhalation	Almost immediate (1-3 min)	1 to 2 hours
Ingestion	30 minutes to 2 ½ hours	5 to 8 hours
Tincture	Almost immediate to 1 hour	2-4 hours

Orally administered, cannabinoids are less bioavailable due to first pass metabolism. Bioavailability is considered to be “erratic” with the onset of effect anywhere from 1-4 hours. After oral ingestion, metabolites remain active in the blood longer than with inhalation, potentially extending the effects to 6-10 hours. In particular, the metabolism of THC to 11-OH THC is notable because the metabolite has been reported to have greater potency at the CB1 receptor than delta-9 THC. THC binds to CB<sub>1</sub> receptor with higher affinity than the native ligands anandamide (AEA) or 2-arachidonylglycerol (2AG). It is

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estimated that about 1% of pCBs are able to penetrate the blood-brain barrier (with IV administration). Acute toxicity is very low, with no direct reports of mortality in humans from inhaling or ingesting Marijuana.

Many patients need to be able to access both inhaled and oral preparations for acute relief (such as with seizure or pain) and for longer term relief (such as at night) using an oral product. (Table 3)

**Table 3: Forms Initially Available by Brands**

FORM	BRAND				
	1 CBD:THC	2 CBD:THC	3 THC:CBD	4 THC:CBD	5 THC:CBD
CANNABINOID RATIO	20 to 1	10 to 1	1 to 1	2 to 1	4 to 1
Liquid/Inhalation			X	X	X
Liquid / spray	X	X	X	X	
Capsule	X	X			X
Topical					
Liquid/Vial	X	X		X	X

**Certain Formulations are for Broad Groups**

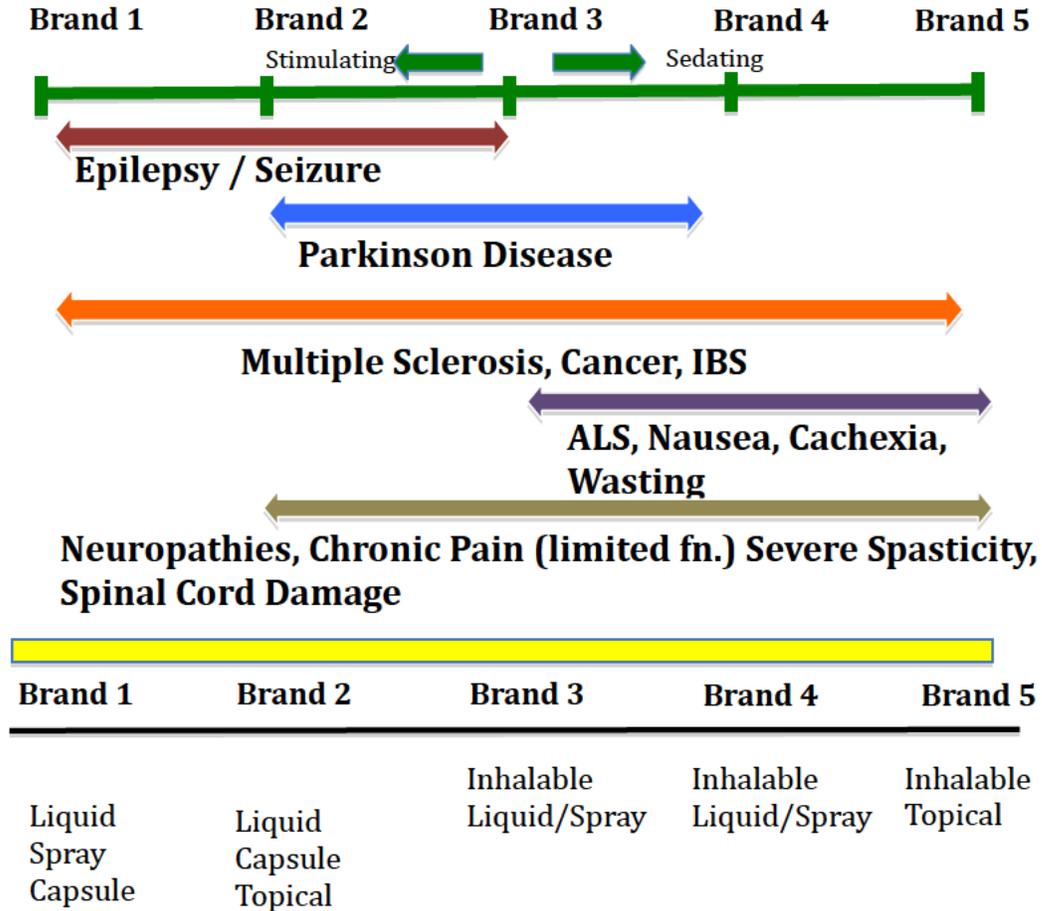
As has been demonstrated in the literature by the manufacturers of nabiximols, a formulation of a ratio of 1:1 for THC and CBD is widely applicable to many conditions and patients. CBD has one primary mechanism of anti-inflammatory action and THC has a primary mechanism of analgesia. Taken together, CBD will modulate the psychoactive effects of THC and provide combinatorial relief for inflammation-related pain. Also because some patients are intolerant to the psychoactive effects, a CBD-dominant line will be produced for that broad class of patients and pediatric patients.

Empire Green Labs (EGL) will manufacture all approved marijuana products in compliance with WHO guidelines on good manufacturing practices (GMP) for herbal medicines (See Document). These methodologies will monitor and ensure the quality, efficacy and safety of our products. Because the manufacturing process is a key step where quality control is required, GMP is an important tool for this measure, also common to pharmaceutical products. Below is a chart that describes our particular brands as applied to the condition list in New York State. Because patients have varied responses to different cannabinoid and terpenoid profiles, we have applied the most current available medical applications of the whole plant to make sure we have included every patient population, as well as taking into consideration disease states, endocannabinoid function

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in those conditions, individual tolerance, contribution of inflammation and the need for both day and night time relief. (Table 4)

**Table 4: Formulations for Broad Groups**



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## **Quality Assurance Plan**

### **Dispensary Operations**

The dispensary Quality Assurance Plan addresses two areas: how to address errors that occur and how to improve practices before an error occurs. The safety of patients is always a top priority and the pharmacists and support staff employed by Cannabis of America will be trained to maintain the strictest compliance with our established quality assurance procedures.

One of the primary purposes of the dispensary quality assurance program is to detect, identify and prevent errors in fulfilling patient orders by analyzing, individually and collectively, investigative and other pertinent data collected in response to an adverse event or fulfillment error to assess the cause and any contributing factors such as system or process failures.

In the event a dispensing error occurs, the dispensary manager will notify the DOH within 24 hours of the error being discovered as well as:

- Notify the patient, caregiver (if applicable) and the recommending practitioner immediately;
- Notify the Dispensary Operations Manager;
- Open a Dispensary Error Notification file;
- Staff members involved in the error should write down how the error occurred from their perspective into the Dispensary Error Log, preferably prior to discussing the event with other staff members and as soon as possible after the error is detected.
- The Dispensary Manager or, if the Dispensary Manager was involved in the error, the Dispensary Operations Manager, should determine how the error occurred and how it is to be resolved;
- Once a determination of how the error occurred is made, dispensary practices should be reviewed to determine what adjustments may be made to prevent the same type of error occurring again;
- If changes to dispensary procedures are required, all dispensary staff will be notified of the changes and educated on how to implement those changes;
- If the error is unrelated to processes but related to a staff member the staff member will be temporarily reassigned and/or receive additional training on the proper methods of disbursing products.
- The DOH will also be notified as to the cause of the error and the company's resolution.

A second primary purpose is to prevent the dispensing of finished products near or past their expiration date. The following procedures will be used to track inventory product expiration dates by each dispensary manager:

1. Cannabis of America will implement a FIFO system for dispensing inventory.

2. The inventory control system will automatically track individual product expiration dates. The system will automatically generate a daily report in the morning listing any products that have less than 60 days remaining;
3. Each dispensary manager must log into the system to acknowledge receipt of their dispensary report;
4. If a product is within 30 days of its expiration date a notice is automatically sent to the Quality Assurance/Control Director at the manufacturing facility;
5. Products with 30 days of the expiration date will be removed from the product vault and stored in the Tainted Materials Vault, to be returned to the manufacturing facility for destruction.
6. The Dispensary Manager must make the appropriate adjustments in the inventory control system which will track the product being removed from active inventory.
7. Arrangements for pick-up by the manufacturing facility will be made and, if required, the DOH will be notified that the dispensary is returning product to the manufacturing facility for disposable. This notification will include: brand, form, individual unit quantity, reason for return; and date of scheduled pick-up.
8. At the end of each month, an expired products list will be generated by the inventory management system.
9. The expired products list, compiled by dispensary, brand and form may be used by the Dispensary Operations Manager as a guide for changing reordering procedures and as a indication of patient and/or practitioner preferences.

As a preventative measure, quantitative data will be collected and used as a method of determining the effectiveness of the dispensary processes. The number of patients seen on a daily basis by: each dispensary tech, dispensary manager and dispensary assistant manager will help determine appropriate staffing levels. Patient flow thru the dispensary (tracked based on the check-in time; order time, payment time; and check-out time) may help in determining how to better allocate specific employees and where cross-training facility staff may be beneficial, The number of times in a day dispensary techs need to refill their product drawers and sales of specific methods of delivery should help in estimating proper inventory levels and establish daily needs parameters.



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**ATTACHMENT D**

**Section 8: Returns, Complaints,  
Adverse Events and Recalls**

## **SECTION 8**

### **RETURNS, COMPLAINTS, ADVERSE EVENTS AND RECALLS**

#### **Designation of Product Recall Coordinator and Recall Committee**

Pursuant to NY §1004.5 (b)(4) (v) and §1004.5 (b)(4) (vi), The Dispensary Operations Manager will work in conjunction with the Quality Control Officer to implement recall procedures in the event of an adverse event or identification of cause for a potential recall. The Dispensary Operations Manager shall have full authority to take steps necessary, including reporting to the Department of Health within 24 hours of notification of a possible recalled product or adverse event. The Dispensary Operations Manager has authority to initiate investigation into, and implement all recalls, with the support of an appointed recall committee and approval of the Organization Operations Manager. The Dispensary Operations Manager shall serve as contact person to relay information about the recall to the Department and will be responsible for directing the recall committee to fully document every step of the recall process, from investigation to final resolution.

The Dispensary Operations Manager shall coordinate actions with the Organization's marketing team and Dispensary Manager(s) and shall be responsible for working with the recall committee, and overseeing the complete execution of the product recall by the Organization and its employees.

The Dispensary Operations Manager shall initiate the formation of a recall committee and will coordinate actions with the committee. The committee members will include personnel from across the Organization, with a mix of knowledge across the following areas:

- production operations
- quality assurance
- distribution
- legal
- patient affairs/marketing

The recall committee shall be responsible for the management of all recall activities under the leadership of the Dispensary Operations Manager.

## **Identification and Scope of Recalled Products**

The recall coordinator shall be informed of any situation involving potentially defective manufactured medical marijuana products, any instance where any product has failed laboratory testing; or any situation where the use of the Organization's product or exposure to it may cause serious adverse health consequences.

The Dispensary Operations Manager, with the assistance of the recall committee, shall as expeditiously as possible determine the existence of any defect or hazard in the manufactured medical marijuana product, the cause of the defect or hazard, and the location of all unsafe products.

Recalls shall be conducted in the event that (1) a recall is requested by a state regulatory department or agency; or (2) a recall is initiated by the Organization through the voluntary removal of defective or potentially defective manufactured medical marijuana products because a product has failed laboratory testing as required under regulations, including where a sample has failed a pesticide chemical residue test; or where the committee concludes there is a reasonable or remote probability that use of a product or exposure to it will cause serious adverse health consequences.

## **Procedures**

1. The Dispensary Operations Manager will notify the department within 24 hours of the possibility of a recall.
2. The committee shall immediately identify the products involved or affected, including the identifying lot number, date of distribution to dispensary locations, totals for each product distributed, total number of products already sold to patients, and identification of patients who bought affected products.
3. The Dispensary Operations Manager will liaison with the department to coordinate retesting of the affected products by a state licenses laboratory.
4. The Organization will use Agrisoft and/or the state mandated seed to sale software system to flag the recalled product within the system, to prevent the further distribution of the effected lots and to document every step taken in response to the potential recall.
5. The committee shall identify the name and registry identification number of every patient customer in receipt of an affected product and the date of sale.
6. Steps will be taken to contact every patient in receipt of an affected lot, and the patient will be advised of the potential recall and directed not to use the product.
7. All affected products will be scanned into Agrisoft and/or the state mandated software with designation "POTENTIAL RECALL" and transported back to the manufacturing facility for storage in the Unusable Product Vault.

8. Pending investigation, all lots of affected product will either be destroyed according to operating procedures or redistributed, pending retesting and clearance from the Department of Health.

#### **Additional Actions By Recall Committee**

1. Where necessary and appropriate, the recall plan requires preparation of press releases announcing the recall, the establishment of a toll-free number to handle consumer inquiries, preparation of information about the recall on the Organization's website and through the use of social media, and any other potential consumer hotlines or forms of communication channels.
2. The recall notification process may include paid notices on TV, radio, newspapers or magazines, as well as point of sale posters or marketing materials.
3. Recall notices shall be provided to all patients who have, or likely have, obtained the product. The notice shall contain a minimum of the following information:
  - a. Product Name
  - b. Description of the specific hazard involved
  - c. IMMEDIATELY CEASE USE OF THE PRODUCT
  - d. Consequences of exposure to the potential hazard
  - e. Procedure for the return of the recalled product.
  - f. Procedure for replacement of affected manufactured medical marijuana products.

## Product Recall Plan

The manufacturing facility will maintain a recall plan that provides specific procedures, defines terms, and assigns roles and responsibilities when a safety issue arises with any of the medical marijuana products produced at the facility. An employee will be designated the Recall Coordinator. The Recall Coordinator will manage the coordination of the recall decisions throughout the recall process. Initial duty of the Recall Coordinator will be to designate and assemble the Recall Committee and assess all information. The Committee shall follow the Recall Flow Diagram (see below) utilizing Agrisoft Seed-to-Sale Inventory Tracking Software to track all Lot Numbers. The Recall Committee will include personnel from various areas of the manufacturing facility as well as personnel employed outside the manufacturing facility. In the event of a recall the Recall Committee will be contacted as well as Key Recall Contacts.

The steps of the product recall plan will be:

1. Evaluation of the Complaint or Condition.
2. Identification of Affected Products.

All details of the complaint will be recorded including but not limited to; complainant contact info, date, location of purchase, product identification, batch number of product if available, illness and injury description. Recall Coordinator will then communicate complaint to appropriate staff for evaluation. Evaluation will determine safety concerns, identify product and initiate the product removal strategy.

3. Notification of Affected Parties

Notification of Recall Committee and Key Recall Contacts will take place immediately upon identification of safety concerns and product affected.

4. Removal of Affected Product

All affected products will be removed, quarantined, inventoried, and disposed of in a timely manner. Records will be kept at all steps of product removal. Regulatory Agencies and local law enforcement will be involved throughout the process.

5. Product Disposal

All recalled product will be inventoried and disposed of in accordance with state and local law.

6. Recall Effectiveness

Determination through Recall Committee and Key Recall Contacts that the recall has been 100% effective will be confirmed before termination of recall.

7. Recall Termination

A written request will be sent to regulatory agencies for approval of the termination of the recall once it is deemed 100% effective.

## **Key Recall Contacts**

### **Regulatory Agencies**

New York Department of Health  
Local Health Department  
Local Law Enforcement  
Relevant Regulatory Departments

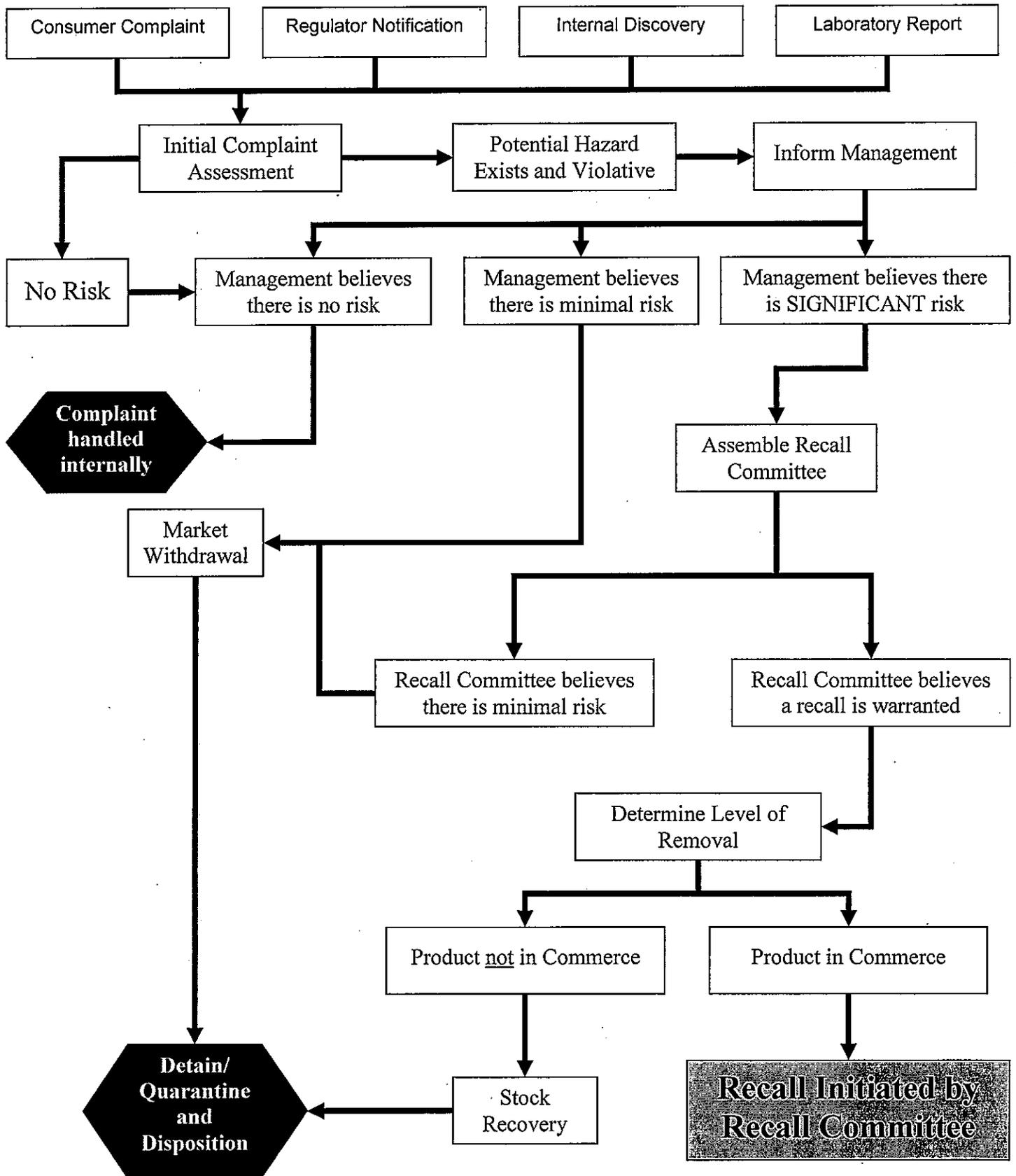
### **Technical Consultants**

Testing Laboratory  
Food Safety Consultants  
Sanitation Consultants  
Legal Counsel

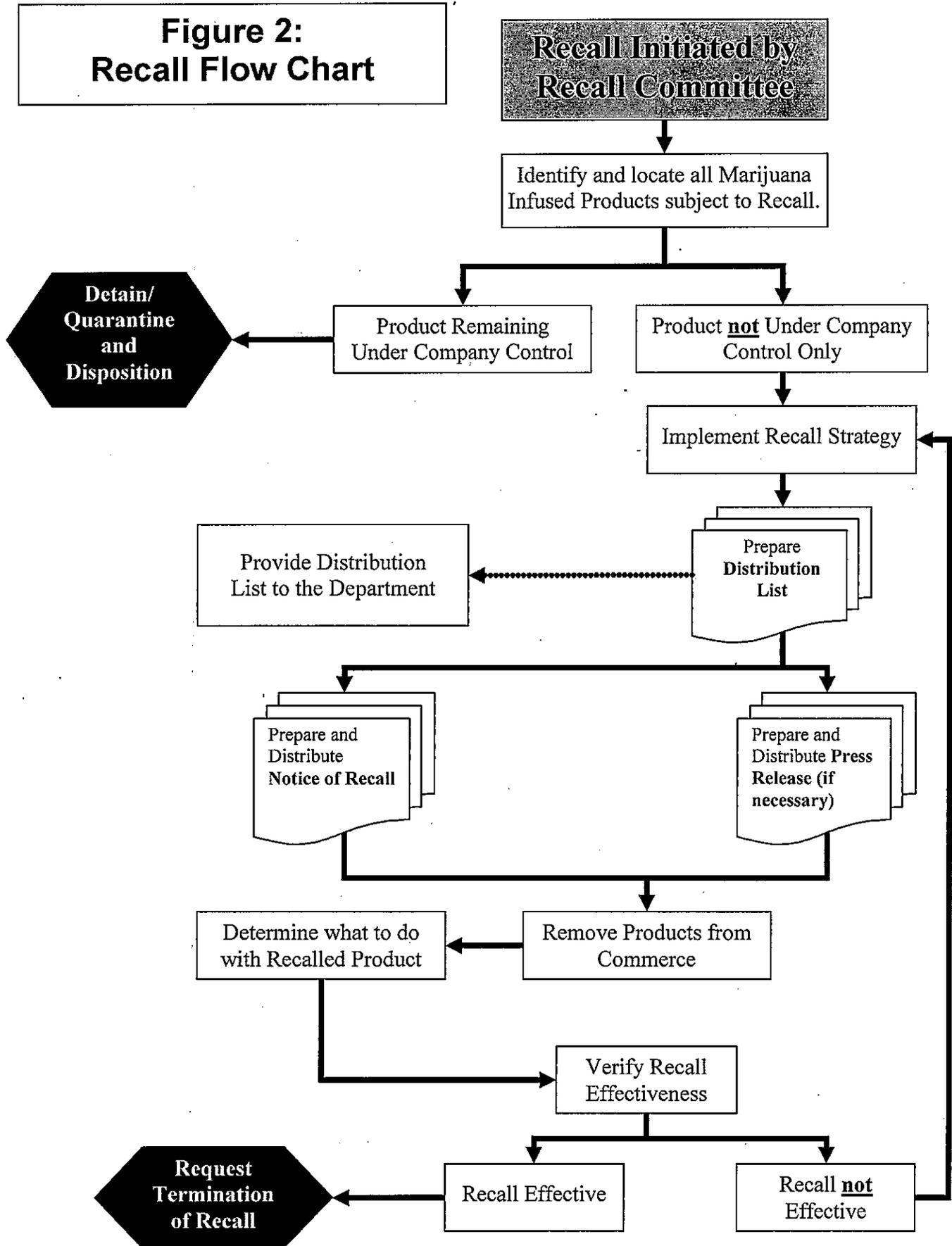
### **Distribution Chain**

Transportation Team  
Dispensary Staff  
Patients (if applicable)

**Figure 1: Complaint/Condition Evaluation Flow Chart**



**Figure 2:  
Recall Flow Chart**





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**ATTACHMENT D**

**Section 9: Product Quality Assurance**

## QUALITY ASSURANCE

Possible contamination will be tracked through the use of a Hazard Analysis Critical Control Point (HACCP) Plan. Critical control points will be identified, monitored and preventative procedures recorded throughout the production of marijuana products. The shelf stability of all products will be confirmed. Process controls for water activity, pH levels, and proper packaging will be utilized.

### Corrective Action

Corrective actions are detailed within the CCP Hazard Analysis Chart. If contamination is discovered after a Production Lot has shipped then the Product Recall Plan will be used.

### Shelf Stability Testing

Shelf stability testing will be conducted on site. Shelf stability is the time that a product will retain throughout its period of storage and use, the same properties and characteristics that is possessed at the time of its packaging. Forms will be tested and approved before production for patients begins.

Shelf stability testing will cover the four areas of concern.

- **Chemical:** The product retains its chemical integrity and potency, within specified limits.
- **Physical:** The original physical properties, including appearance, palatability, odor, and wholesomeness are retained.
- **Microbiological:** Resistance to microbial growth and product safety is retained according to specified requirements overall bacterial growth is maintained within acceptable levels.
- **Toxicological:** No significant increase in toxicity occurs.

### Control by Water Activity, pH, Chemicals, and Packaging

Water activity and pH will be directly controlled in all products produced within the Production Area. A combination of controls, rather than relying on only one will be utilized. Inhibitors to growth of microbiological contaminants will be added to the marijuana product in the form of food safe additives or substances such as citric acid, if needed. In addition, adjustments to the atmosphere of the packaged product using special packaging techniques will be implemented during packaging, if needed. This is because a one-control system carried to the extreme, can be harsh, making food unacceptable to consumers. The use of multiple controls is called the 'Hurdle Concept'. Microbiological controls using pH, water activity, inhibitors, and atmosphere will be described in this section.

### pH CONTROL

Every microorganism has a minimum, optimum, and maximum pH for growth. Yeasts and molds can grow at low pH, but 4.6 is generally considered the level that will prevent the growth and toxin production for pathogens. Some pathogens, in particular *E. coli* 0157:H7, can survive acidic conditions for extended periods of time, even if their growth

is inhibited. pH is considered primarily a means of growth inhibition and not a method for destruction of existing pathogens. However, at low pH values many microorganisms will be destroyed if held at that pH for significant time. A pH 4.6 is used as a divider between high-acid and low-acid foods. Some products that are naturally low-acid are processed in a way that makes them a high-acid products. This is called acidification.

### **Measuring pH**

The pH meter will be a two electrode. One is the reference electrode and one is the measuring electrode. When not in use, the electrodes are stored submerged in distilled water or other solutions as recommended by the manufacturer. The instrument must be checked each day of use with two different buffer solutions -- one on either side of the expected equilibrium pH. After calibration, the electrodes should be rinsed off with distilled water and then they can be used for testing. The operation and calibration of the pH meter must follow the meter manufacturer's instructions.

### **Thermometer Calibration**

1. Fill a 2-quart measure with ice.
2. Add water to within 1 inch of top of container.
3. Stir mixture well.
4. Let sit for one minute.
5. Place thermometer in container so that the sensing area of stem or probe is completely submerged over the dimple.
6. Keep the thermometer from touching sides or bottom of container.
7. Let thermometer stay in ice water for 30 seconds or until the dial stops moving.
8. Place the calibration tool on the hex adjusting nut and rotate until the dial reads 32 °F, while in ice water.
9. Some digital stemmed thermometers (thermistors) and thermocouples have a reset button that should be pushed.
10. Repeat process with each thermometer.

## **pH METER CALIBRATION PROCEDURE AND ANALYSIS:**

1. The pH meter is calibrated at least once on the day of use as outlined in section
2. The standard buffers used are pH 4.0, pH 7.0, and pH 10.0. A small amount is dispensed into a smaller container for calibration. Per manufacturers recommendations the standard pH buffers should be used for calibration only one time and disposed after calibration has been finalized.
3. If the final pH of the reagent or medium falls between a pH of 7.0 and 10.0, use the pH 7.0 and 10.0 calibration buffer solutions for the two point calibration.
4. If the final pH of the reagent or medium falls between a pH of 4.0 and 7.0, use the pH 4.0 and 7.0 calibration buffer solutions for the two point calibration.

## **WATER ACTIVITY CONTROL**

Like pH, every microorganism has a minimum, optimum, and maximum water activity for growth. Yeasts and molds can grow at a low water activity, however 0.85 is considered the safe cutoff level for pathogen growth. A water activity of 0.85 is based on the minimum water activity needed for *S. aureus* toxin production. Products above a water activity of 0.85 will utilize acidification as the barrier to control the growth of pathogens. Products with water activities between 0.60 and 0.85 are classified as intermediate moisture foods. These do not require refrigeration to control pathogens, but have a limited shelf-life because of spoilage, primarily by yeast and mold. For the most part, products with a water activity below 0.60 have an extended shelf-life, even without refrigeration.

## **PACKAGING**

Reduced oxygen packaging is used to prevent the growth of microorganisms in order to extend the shelf-life of the product and keep the integrity of the product intact. Packaging is different from the other methods of control. Although packaging is sometimes used to control microbiological growth, it is limited to the control of spoilage microorganisms. Packaging serves two functions:

1. it prevents contamination of the food or
2. it extends the effectiveness of food preservation methods

## QUALITY ASSURANCE Marijuana Product CCP Hazard Analysis Chart

Issued:  
Reviewed:  
Next Review:

CCP	Hazard & Source/ Cause	Critical Limit	Monitoring Procedure	Corrective Actions	Record Keeping	Verification
CCP1 – Marijuana Product is moved to Climate Controlled Secure Storage. Marijuana Product is moved	<b>Microbiological Hazards</b> -Microbiological growth due to breakdown of refrigeration unit.	Temperature of Ingredients must be stored at consistent temperature.	<b>Who:</b> Production Manager <b>What:</b> monitor temperature of Climate Controlled Secure Storage <b>How Often:</b> Twice daily using calibrated thermometer.	Properly discard of Marijuana Product if temperature variance is greater than 20 degrees Fahrenheit	Refrigeration Log Calibration Log	Production Manager reviews and signs off on Refrigeration and Calibration Logs
CCP2 - Proper sanitation of all packaging	<b>Physical Hazards</b> -Physical contamination from operator -Foreign body/broken glass/dust contamination from source of origin and/or storage environment  <b>Chemical Hazards</b> -Chemical contamination from high ppm of sanitizer.	Any foreign objects present.  50 -200 ppm sanitizer concentration	<b>Who:</b> Production Manager or Sanitation Manager <b>What:</b> Properly inspects bottles and caps for physical hazards. Follows sanitation SOP and use testing strips for ppm accuracy <b>How Often:</b> As Needed	Discard any broken bottles and foreign objects.  Use ppm test strips to for proper sanitizer mixture.	Sanitation Log	Sanitation Manager logs ppm test strip readings in Sanitation Log. Daily sign off by Production Manager.
CCP3 - Use Filling Equipment to fill all packaging.	<b>Physical Hazards</b> -Physical contamination from operator -Foreign body/dust contamination from production environment.  <b>Microbiological Hazard</b> -Microbiological growth due to improper pH levels before filling. -Microbiological growth due to improper temperature monitoring.	Any foreign objects present.  Temperature must be consistent and ph of products in filler must be <4.6ph	<b>Who:</b> Production Manager <b>What:</b> Follow SOP and Hygiene Guidelines. Take ph and monitor temperature. <b>How Often:</b> Every Production Batch	re- test for proper pH level after adding citric acid or food safe equivalent. Minimum pH level required is 4.6 or <.	-Staff hygiene policy/program in place with all site staff trained and records of training maintained and retained on personnel files. -Controlled by proper sanitation of production environment.  -Proper pH levels are monitored with a properly calibrated pH meter, calibrated with proper pH 4 and pH 7 buffers. -Staff pH policy/training in place with all site staff trained and records of training retained in personnel records. -The critical limit is established at 4.0 or below by the appropriate manufacturer's recommendation. -Staff	Production Manager logs all ph and temperature readings into Production Log. Calibration of Thermometers and ph tester entered into Calibration Log.

					awareness/training programs in place with records of training retained and filed.	
CCP4 – Marijuana Product is moved to Climate Controlled Secure Storage. Marijuana Product is moved	<b>Microbiological Hazards</b> -Microbiological growth due to breakdown of refrigeration unit.	Temperature of Ingredients must be stored at consistent temperature.	<b>Who:</b> Production Manager <b>What:</b> monitor temperature of Climate Controlled Secure Storage <b>How Often:</b> Twice daily using calibrated thermometer.	Properly discard of Marijuana Product if temperature variance is greater than 20 degrees Fahrenheit	Refrigeration Log Calibration Log	Production Manager reviews and signs off on Refrigeration and Calibration Logs

VALIDATION:

Name:  
Position:  
Date:

Name:  
Position:  
Date:



EMPIRE GREEN LABS

**ATTACHMENT D**

**Section 10: Recordkeeping**

## **SECTION 10: RECORD KEEPING - CULTIVATION RECORDING KEEPING**

### **NARRATIVE**

The company will maintain all company records including operating plans, standard operating procedures, human resources records, cultivation plan, staffing plans and training material and other business documents on site within the administrative offices and electronically via a secure, cloud based system for at least 5 years. The organization will utilize the New York State designated seed to sale software system, to maintain compliance with state reporting regulations pursuant to 10 New York Code § 1004.5(b)(4)(vii). In addition, the organization will use AgriSoft seed to sale software. AgriSoft is a robust enterprise software platform designed specifically for seed to sale inventory tracking for marijuana. This technology will enable the tracking of every action performed on a plant or dry marijuana product, every movement of inventory, and every movement of dry product, capturing batch and lot numbers throughout and ensuring the security and traceability of all inventory at all times. Information entered into AgriSoft is encrypted and stored on remote, highly secure servers. This offers an added layer of security and redundancy should there be a failure on a hardware device or an interruption in power. Cellular connections ensure that communication is intact if the Internet connection is lost.

State inspectors may contact the organization at any time to arrange an audit or review of records maintained on site. Unplanned inspector visits will be met with absolute cooperation and will be given full, supervised access to all records, after verification of identity is obtained. Inspectors will be provided with the records in the format they desire for review, whether electronically or in printed form, in a secure, private room.

The following records shall be kept by Cultivation management and shall be maintained for a period of five (5) years:

- **Inventory** of physical assets, production equipment, crop inputs and all such records related to cultivation production including information on product recalls, returns, adverse events and other instances of product destruction.
- **Standard Operating Procedures** will be the responsibility of the Cultivation Operations Manager, reporting to the General Manager.
- **Financial records**, related to running the cultivation operations.

- **Management plans and business records** will be the responsibility of the Cultivation Operations Manager.
- **Human resource records** such as staffing plans/hiring procedures and employee training material will be stored on site and are the joint responsibility of the Cultivation Operations Manager and the HR office.

### **Cultivation Operations**

Cultivation Operations staff are responsible for maintaining complete inventory records related to production with New York State designated seed to sale software system and AgriSoft seed to sale software. Such records will be retained for a minimum of five (5) years. Detailed steps for inputting the below information into these systems can be found in the Cultivation Standard Operating Procedures (Section 6).

- Every action will be recorded with a date/timestamp and the user id of employee performing the action.
- Each plant will be assigned a unique identifying number and will be barcoded.
- All information required to track product strains, brands and lot information.
- Everything that happens to the plant during its lifetime will be captured, including: genetic history and mother, strain, brand, schedule, including create date, vegetative date, flower date and harvest date,
- Any substance applied to the plant, including nutrients, pesticides, herbicides or fungicides,
- Any labor performed on the plant, such as pruning, repotting, or watering and location of the plant at all times.
- Each lot of plants will be harvested at the same time, beginning the post-harvest process.
- During the post-harvest phase, final weight for each lot and results of visual inspection and internal testing results of the harvested product will be captured and recorded in AgriSoft and/or the New York State designated seed to sale software system.
- Shipping records for all dry product packaged, labeled and disbursed to the manufacturing department.
- Inventory of product retained on site for future testing, or sent to state license labs for testing.
- Lab provided test results related to every batch of dry medical marijuana produced.

The extensive and continuing training of employees in best practices and frequent recorded audits by management will encourage accurate record keeping and accountability and discourage unlawful activity.

### **Cultivation Reporting**

The organization will conduct daily system audits, along with visual checks to identify and resolve any potential discrepancies. This will include but not be limited to: nightly inventory audits, nightly employee activity tracking and shipping manifest reports. The goal is to quickly identify and resolve potential discrepancies. Daily Inventory can be performed quickly and efficiently, by simply scanning the barcodes of each individual product, at which point AgriSoft will count and compare actual inventory against expected inventory. Reports can easily be generated outlining beginning inventory, sales, inventory adjustments and finally ending inventory. During the post-harvest processes, chain of custody reporting in AgriSoft and the New York software will be utilized to show each employee's activity relating to processes such as drying, trimming, curing, and packaging.

### **Cultivation Product Disposal/Destruction:**

Diseased, damaged or non-viable plants will be immediately segregated and destroyed. Marijuana plant materials that do not meet standards will be immediately segregated and destroyed. For every instance requiring destruction of medical marijuana products, there will be an authorized employee witness to the destruction and both employees information will be recorded in the system. Only authorized employees will have the access required to destroy product and record the destroyed weight. Reporting the reason for destruction will be required and recorded in AgriSoft and/or the New York State designated software system. AgriSoft can generate reports on the number and/or weight of destroyed material at any point in the process.

Only authorized employees will have the access level in AgriSoft and in the New York State designated system to destroy product. The following information will be recorded when a marijuana product is identified for destruction: Strain, Brand, Lot #, date of notification of required destruction and reason(s) for destruction. If destruction is due to a product recall or other adverse event, The State Department of Health will be notified within 24 hours Pursuant to 10 New York Code §1004.10(a)(5) and Section XX of this document. A witness will be present for any such destruction. AgriSoft and/or the New York designated software reporting will be used to gather data and address any issues in the process that may have contributed to the need for destruction.

### **Transport to Manufacturing**

AgriSoft and the state designated software system will be utilized to document when medical marijuana is distributed to the manufacturing area within the facility. At a minimum, the following will be recorded (1) The quantity, strain, brand and lot number of medical marijuana distributed to the manufacturing area; (2) The name and agent registration card number of the receiving agent; and (4) The date on which the medical marijuana was provided to the manufacturing area.

Prior to moving packaged dry product from Cultivation to the manufacturing department, a distribution document will be created in AgriSoft “seed to sale” software and/or the New York designated seed to sale software system. This distribution document will be required for all movements of packaged product. The distribution document will record the quantity of packages, total weight of all packages, strain, brand and lot number(s), and agent registration number of the employee preparing the order. It will also record the location and status of the packages, such as “in-transit” or “received”.

**RECORD KEEPING and TIMELINE of EXTRACTION and PRODUCTION  
TOTAL ESTIMATED TIME: 27 Hours per 10 pounds of Marijuana**

Record keeping of the Production and Extraction Area will be updated throughout the stages in Agrisoft. In addition several hard copy forms will be utilized and kept on file within the Production and Extraction Area.

**Forms**

- Production Log
- Extraction Log
- Marijuana Inventory Form
- Extraction Inventory Form
- Product Inventory Form
- Shipping Manifest

**Stage 1: Receiving of Marijuana from the Cultivation Area to the Extraction Area.  
Estimated Time: 1 Hour**

All record keeping will be updated in Agrisoft. Designated Cultivation Employee delivers leaves and flowers of the marijuana plant to the Extraction Area. The Extraction Manager will confirm the accuracy of the Cultivation Lot Number and quantity delivered by weighing all marijuana on a Department of Agriculture certified scale in full view of the facility's video recording equipment. Change of custody of the marijuana will be updated in Agrisoft. The marijuana will be clearly labeled with Cultivation Lot Number, quantity in gram weight, and date received and is stored in the Secure Storage Area to await extraction.

**Stage 2: Extraction of Leaves and Flowers  
Estimated Time: 12.5 Hours**

All Extraction record keeping will be updated in Agrisoft at the time of extraction. In addition to Agrisoft an Extraction Log hard copy will be kept within the Extraction Area. Marijuana will be moved from the Secure Storage Area to the Extraction Area and the Extraction Log will be filled out at the time of extraction. Once the Marijuana Extraction is complete it will be clearly labeled with the Extraction Lot Number, quantity in grams, and the date. Labeled Marijuana Extract will be moved to the Secure Storage Area to await Lab Test Results. Extraction Tech will update the Marijuana Extract Inventory Form. Once Lab Test results are received the Extraction Manager will update the results in Agrisoft. The Marijuana Extract will be labeled with the accurate cannabinoid profile provided by the lab test results.

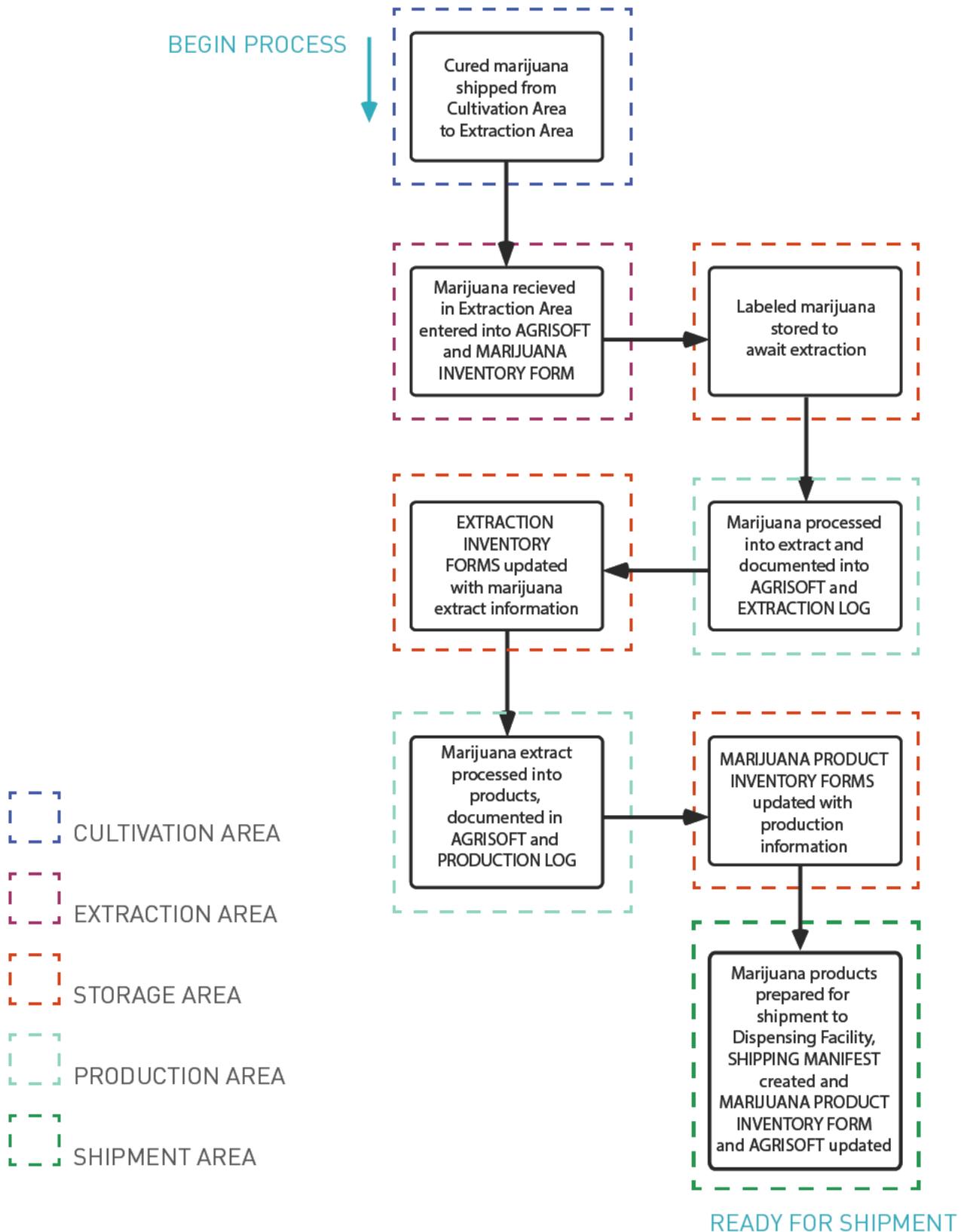
**Stage 3: Production of Products**  
**Estimated Time: 12.5 Hours**

Production Employee will sign out the Marijuana Extract from the Secure Storage Area. The change of custody will be updated in Agrisoft. A Marijuana Extract Inventory Form will be kept in the Secure Storage Area at all times and is kept accurate and up to date. A Production Tech will move the Marijuana Extract from the Secure Storage Area to the Production Area. The Production Log will be filled out at the time of production. Once the Marijuana Products are produced and labeled the Marijuana Products will be clearly labeled with the Production Lot Number, Extraction Lot Number used, the date of production and date of expiration. Labeled Marijuana Products will be moved to the Secure Storage Area to await Lab Test Results. Production Tech will update the Marijuana Product Inventory Form. Once Lab Test results are received the Production Manager will update the results in Agrisoft. The Marijuana Products will be labeled with the accurate cannabinoid profile provided by the lab test results.

**Stage 4: Shipment of Products**  
**Estimated Time: 1 Hour**

The shipment of Marijuana Products will be documented in Agrisoft. A Shipping Manifest will be filled out and submitted as required. The Marijuana Product Inventory Form will be kept accurate and up to date. A Production Tech will build the shipment, create the Shipping Manifest and remove the Marijuana Products from the Production Area and meet the Transportation Team in the Shipping and Receiving Area. Transportation Team will verify the accuracy of the Shipping Manifest and transport the product to the Dispensing Facility.

# MARIJUANA INVENTORY RECORD KEEPING PROCESS FLOW DIAGRAM



## **Section 10 - Record Keeping**

### **Record Keeping**

The company will maintain all company records including operating plans, standard operating procedures, human resources records, cultivation plan, staffing plans and training material and other business documents on site within the administrative offices and electronically via a secure, cloud based system for at least 5 years. The organization will utilize the New York State designated seed to sale software system, to maintain compliance with state reporting regulations pursuant to 10 New York Code § 1004.5(b)(4)(vii). In addition, the organization will use AgriSoft seed to sale software. AgriSoft is a robust enterprise software platform designed specifically for seed to sale inventory tracking for marijuana. This technology will enable the tracking of every action performed on a plant or dry marijuana product, every movement of inventory, and every movement of dry product, capturing batch and lot numbers throughout and ensuring the security and traceability of all inventory at all times. Information entered into AgriSoft is encrypted and stored on remote, highly secure servers. This offers an added layer of security and redundancy should there be a failure on a hardware device or an interruption in power. Cellular connections ensure that communication is intact if the Internet connection is lost. State inspectors may contact the organization at any time to arrange an audit or review of records maintained on site. Unplanned inspector visits will be met with absolute cooperation and will be given full, supervised access to all records, after verification of identity is obtained. Inspectors will be provided with the records in the format they desire for review, whether electronically or in printed form, in a secure, private room.

### **Employee Records**

Employers must record and preserve specified information and records to show compliance with Fair Labor Standards Act (FLSA) provisions relating to minimum wage, overtime, equal pay and child labor.

For each employee COVERED by FLSA:

We will retain the following records for employees covered by the FLSA for a period of three years:

- Name, address
- Date of birth
- Gender, occupation
- Workweek days
- If paid O/T... regular pay rate and exclusions
- Wage basis
- Hours worked
- Straight-time earnings

- Weekly overtime pay
- Deductions from and additions to wages
- Pay period covered
- Pay dates
- Wages paid by pay period
- Retroactive payment
- Also, payroll certificates, union agreements and benefit plan documents.

Supplemental records:

Retention Period: 2 Years Required Information & Records:

- Time cards
- Wage rate tables
- Work time schedules
- Job evaluations, etc.

For each employee EXEMPT from FLSA:

Retention Period: 3 Years Required Information & Records:

Executive, administrative, professional and outside sales employees are exempt from the overtime and minimum wage requirements of FLSA. Records are kept to substantiate the claimed exemption, including:

- The wage basis for the exempt employee (e.g. \$500 per week)
- Total remuneration (sum of pay plus fringe benefits)

For each employee paid SUB-MINIMUM wage rate:

Retention Period: 3 Years Required Information & Records:

- Qualifying learners, apprentices and handicapped employees, for example, may be employed at sub-minimum wage rates. However, the employer must first obtain the proper authorization certificate from the Secretary of Labor. The certificate must be preserved in the employer's records for a specific period from the certificate's expiration date.

- Also, the employer must identify any employees paid at a sub-minimum wage rate, using a letter symbol on their pay records, and the employer must retain evidence substantiating the special characteristics of the employee that justify the sub-minimum wage rate.
- The foregoing requirements are in addition to the normal record-retention requirements applicable to employees covered by the FLSA.

Record keeping to substantiate special wage/hour practices:

Retention Period: 3 Years Required Information & Records:

- For example, employers who credit tips toward the minimum wage requirement must record the following items, in addition to the information normally applicable to a covered employee: weekly or monthly tip amount reported by the employee, amount of tip credit taken, hours of untipped work and hours of tipped work.
- Another example is an employer that pays employees on a piece rate basis. In addition to the information normally required for a covered employee, the employer must record each piece rate applicable to the employee. The employer must record the number of units completed at each applicable rate during the hours worked in excess of the statutory workweek, and the total weekly overtime excess compensation for the employee at the applicable rate.

### **Cultivation Keeping**

The company will maintain all company records including operating plans, standard operating procedures, human resources records, cultivation plan, staffing plans and training material and other business documents on site within the administrative offices and electronically via a secure, cloud based system for at least 5 years. The organization will utilize the New York State designated seed to sale software system, to maintain compliance with state reporting regulations pursuant to 10 New York Code § 1004.5(b)(4)(vii). In addition, the organization will use AgriSoft seed to sale software. AgriSoft is a robust enterprise software platform designed specifically for seed to sale inventory tracking for marijuana. This technology will enable the tracking of every action performed on a plant or dry marijuana product, every movement of inventory, and every movement of dry product, capturing batch and lot numbers throughout and ensuring the security and traceability of all inventory at all times. Information entered into AgriSoft is encrypted and stored on remote, highly secure servers. This offers an added layer of security and redundancy should there be a failure on a hardware device or an interruption in power. Cellular connections ensure that communication is intact if the Internet connection is lost.

State inspectors may contact the organization at any time to arrange an audit or review of records maintained on site. Unplanned inspector visits will be met with absolute cooperation and will be given full, supervised access to all records, after verification of identity is obtained. Inspectors will be provided with the records in the format they desire for review, whether electronically or in printed form, in a secure, private room.

The following records shall be kept by Cultivation management and shall be maintained for a period of five (5) years:

- Inventory of physical assets, production equipment, crop inputs and all such records related to cultivation production including information on product recalls, returns, adverse events and other instances of product destruction.
- Standard Operating Procedures will be the responsibility of the Cultivation Operations Manager, reporting to the General Manager.
- Financial records, related to running the cultivation operations.
- Management plans and business records will be the responsibility of the Cultivation Operations Manager.
- Human resource records such as staffing plans/hiring procedures and employee training material will be stored on site and are the joint responsibility of the Cultivation Operations Manager and the HR office.

### **Cultivation Operations**

Cultivation Operations staff are responsible for maintaining complete inventory records related to production with New York State designated seed to sale software system and AgriSoft seed to sale software. Such records will be retained for a minimum of five (5) years. Detailed steps for inputting the below information into these systems can be found in the Cultivation Standard Operating Procedures (Section 6).

- Every action will be recorded with a date/timestamp and the user id of employee performing the action.
- Each plant will be assigned a unique identifying number and will be barcoded.
- All information required to track product strains, brands and lot information.
- Everything that happens to the plant during its lifetime will be captured, including: genetic history and mother, strain, brand, schedule, including create date, vegetative date, flower date and harvest date,
- Any substance applied to the plant, including nutrients, pesticides, herbicides or fungicides,
- Any labor performed on the plant, such as pruning, repotting, or watering and location of the plant at all times.
- Each lot of plants will be harvested at the same time, beginning the post-harvest process.
- During the post-harvest phase, final weight for each lot and results of visual inspection and internal testing results of the harvested product will be captured and recorded in AgriSoft and/or the New York State designated seed to sale software system.

- Shipping records for all dry product packaged, labeled and disbursed to the manufacturing department.
- Inventory of product retained on site for future testing, or sent to state license labs for testing.
- Lab provided test results related to every batch of dry medical marijuana produced.

The extensive and continuing training of employees in best practices and frequent recorded audits by management will encourage accurate record keeping and accountability and discourage unlawful activity.

### **Cultivation Reporting**

The organization will conduct daily system audits, along with visual checks to identify and resolve any potential discrepancies. This will include but not be limited to: nightly inventory audits, nightly employee activity tracking and shipping manifest reports. The goal is to quickly identify and resolve potential discrepancies. Daily Inventory can be performed quickly and efficiently, by simply scanning the barcodes of each individual product, at which point AgriSoft will count and compare actual inventory against expected inventory. Reports can easily be generated outlining beginning inventory, sales, inventory adjustments and finally ending inventory. During the post-harvest processes, chain of custody reporting in AgriSoft and the New York software will be utilized to show each employee's activity relating to processes such as drying, trimming, curing, and packaging.

### **Cultivation Product Disposal/Destruction:**

Diseased, damaged or non-viable plants will be immediately segregated and destroyed. Marijuana plant materials that do not meet standards will be immediately segregated and destroyed. For every instance requiring destruction of medical marijuana products, there will be an authorized employee witness to the destruction and both employees information will be recorded in the system. Only authorized employees will have the access required to destroy product and record the destroyed weight. Reporting the reason for destruction will be required and recorded in AgriSoft and/or the New York State designated software system. AgriSoft can generate reports on the number and/or weight of destroyed material at any point in the process.

Only authorized employees will have the access level in AgriSoft and in the New York State designated system to destroy product. The following information will be recorded when a marijuana product is identified for destruction: Strain, Brand, Lot #, date of notification of required destruction and reason(s) for destruction. If destruction is due to a product recall or other adverse event, The State Department of Health will be notified within 24 hours Pursuant to 10 New York Code §1004.10(a)(5) and Section XX of this document. A witness will be present for any such destruction. AgriSoft and/or the New York designated software reporting will be

used to gather data and address any issues in the process that may have contributed to the need for destruction.

### **Transport to Manufacturing**

AgriSoft and the state designated software system will be utilized to document when medical marijuana is distributed to the manufacturing area within the facility. At a minimum, the following will be recorded (1) The quantity, strain, brand and lot number of medical marijuana distributed to the manufacturing area; (2) The name and agent registration card number of the receiving agent; and (4) The date on which the medical marijuana was provided to the manufacturing area.

Prior to moving packaged dry product from Cultivation to the manufacturing department, a distribution document will be created in AgriSoft “seed to sale” software and/or the New York designated seed to sale software system. This distribution document will be required for all movements of packaged product. The distribution document will record the quantity of packages, total weight of all packages, strain, brand and lot number(s), and agent registration number of the employee preparing the order. It will also record the location and status of the packages, such as “in-transit” or “received”.

AgriSoft – The Company has tentatively chosen AgriSoft to be its seed to sale inventory management and point of sale system. AgriSoft Development Group has provided the following functional details. The company will ensure functionality of the following components prior to start up and installation:

### **Inventory Management System AgriSoft Seed to Sale Tracking Software:**

- Overall System requirements: The System will provide a central management System capable of storing cultivation, finished inventory, point of sale, and compliance data for Marijuana Licensees in the State.
- User interface requirements: The System will provide a secure, web-based user interface for data entry, display, and reporting by Marijuana Licensees and a secure user interface for employees for user administration and System administration, and for display of Licensee compliance and revenue information.
- Submission of data to State: The System will provide secure web service for data submittal from Licensee Systems of all Marijuana plant, Marijuana product inventory, retail sale transaction data, and tax reports.

### **Diversions prevention, tracking, security software and RFID:**

- When transporting or removing medical Marijuana from a restricted access area in connection with a sale, all medical Marijuana shall be placed on a calibrated weight scale so that the amount removed from the licensed premises is captured through the licensed premises’ point of sale system and recorded on video. A two man policy requiring two staff members to verify weight and transaction details shall be mandatory. No medical Marijuana shall leave a restricted access

area in connection with a sale without a properly executed manifest and sales documentation as detailed below.

- All employee badges will be imbedded with a unique radio-frequency identification code (RFID) identifier which creates an electronic breadcrumb record of employee movements throughout the facility at all times.

- AgriSoft Seed to Sale Inventory Tracking System

- AgriSoft of cloned and germinating plants: The AgriSoft System will track germinating plants by count and strain (varietal) until moved to the vegetative growth step where the plants are then assigned a unique plant identifier: a tag that contains a RFID tag and bar code. An attribute will be provided to allow indication of whether the plant is a seedling, clone, or mother plant. These codes will be used to authenticate each plant in the growing facility throughout its life cycle from clone through harvest. For each inventory transaction in the System, RFID and bar code scans will provide for an update to the software with each plant's codes. The system will allow for the addition of new plant inventory items, including, but not restricted to: strain, plant ID codes, status in growth cycle, date, and added by.

- Scanners: Hand-held RFID scanners and bar code scanners will allow input to the System for the presence of each plant in its assigned growing area within the facility. Scanners also will also be used to document when a plant is moved from one growing area to another.

- Marijuana product tracking requirements: The System will allow tracking of Marijuana plants through growth States: propagation (germinated/cloned), plants in vegetative growth, and flowering plants.

- Transfer of growing plants: The System will track transfer of plant inventory between growth stages and locations. Data input may include, but is not limited to: transfer date, transfer source and destination, order number, list of plants transferred, and transferred by.

- Tracking of cultivation practices: The System will track the application of fertilizers, pesticides, and any other compounds and/or products applied to each batch of plants.

- Tracking of harvest: The System will allow for tracking of harvested Marijuana product, curing of product, processing, extraction, packaging, storage in inventory, transfer to point-of-sale inventory, and retail sale of Marijuana. Product will be weighed, wet or dry, at each stage of harvest, curing, and storage. Data input fields may include, but not be limited to: strain, product name, product type, product ID codes, unique plant identifiers, lot (batch) number, and quantity or weight of yield.

- Tracking of packaged Marijuana: The System will allow for data input of packaged product strain, product name, product type, product ID codes, unique plant identifiers, lot number, batch number, net package weight, and units of measure.

- Traceability requirements: The System will facilitate the tracing of product inputs back to their origin. The inventory of each package will be tracked by product ID and a lot (batch) number. Data fields may include, but not be limited to: strain, product name, package ID, unique plant

identifiers for each plant included in the lot, weight, and units of measure as required by New York Statute and local Ordinances.

- Cameras: Stationary cameras will be installed throughout the growing, curing, trimming, packaging, storage, and dispensing areas of each facility. They will record activity 24 hours per day, 7 days per week. Video recordings will be stored for later review and audits.

**Inventory tracking data points for prevention of diversion:**

- Inventing receiving: The System will include functionality to allow input, tracking, reporting, and storage of information about Marijuana products received at Licensee facilities from other Licensees (if authorized). Data input may include, but is not limited to, the following fields: receipt date, received by, source Licensee name, source Licensee number, order number, items shipped and/or received—including but not limited to product ID, product name, lot number, batch number, weight, and quantity.

- Add/edit location: The System will allow input of user-defined inventory locations within a facility, including, but not limited to: germination and clone room, vegetative/growth room, harvesting/flowering room, trimming room, curing room, packaging area, quarantine area, other storage area, and retail area.

- Add/edit product groups: The System will allow input of product groups, including but not limited to: plant strain, extract type, and infused product types.

- Create the work order/product batch: The System will allow for products (matured, harvested buds and extracts) to be composited into new products. Inputs will include, but not be limited to the following fields: product type, product ID, units of measure of product yield, number of units yielded, component item information for all items containing Marijuana products, including product ID, product name, lot number, and quantity. So that product inputs may be traced back to their origin, the inventory of each product batch is tracked by the product ID and a unique lot number created for each new product batch.

- Transfer products to locations inside Licensee facilities; to laboratories; and transfer of samples to outside Licensees: The System will allow input of inventory transfers between facility areas, including, but not limited to: date of transfer, transferred by, order number, source, destination, list of transferred products, including product ID, product name, strain, lot number, and weight/quantity. This feature also allows for transfers of small quantities of product to testing laboratories, and the transfer of samples. The System will have the ability to track samples of Marijuana or Marijuana-infused products between Licensees. Input may include, but is not limited to: date of transfer, transferred by, source Licensee number, list of transferred products including product ID, product name, lot and/or batch number, weight and quantity.

- Adjustment and disposal of inventory: The System will allow input of inventory adjustments such as disposal, wastage, and theft, including, but not limited to: date of adjustment, adjustment type, plant or other product ID, lot number, batch number, weight/quantity, and explanation.

· **Quality Assurance:** The System will allow input of information about product that has been tested by laboratories including, but not limited to, date of transfer, transferred by, order number, source Licensee number, laboratory name, laboratory license number, and State agent name. A list of transferred products will include product ID, product name, lot and/or batch number, and weight/quantity. Quality assurance test results for any lot or batch will be accessible by the Licensee. The System will allow the Licensee to search, upload, and download test results in a PDF format.

· **Transfer Manifest:** The System will provide functionality for producers, processors, and retailer Licensees to create approved transfer manifest documents. Transfer manifests will be stored and tracked by the System. Input data may include, but is not limited to: ship-from name, Licensee number, and route description. For each item, there will be a destination address, destination name, license number, address, product description, product ID and lot number, quantity/weight/units of measure. Transfer manifests may be used as shipping documents for transfers between locations within an organization.

· **Inventory seizure:** The System will allow State users to input inventory items that have been seized by the State.

## **Inventory-tracking**

### **Production:**

· **Processing event tracking:** The System will allow producers of Marijuana-infused products (including, but not limited to edible products such as baked goods, confections, capsules, pills, beverages and tinctures, and non-edible products such as ointments) to track production events. These events will be tracked by process, yield in weight or volume, lots and/or portions used to create a batch of extract, extract batches used to create a batch of infused Marijuana product, total yield of batch, and individually packaged units of Marijuana-infused products

· **Disposal of Marijuana:** The System will track disposal of Marijuana, including the following data fields: usable plant material, net weight and units of measure for all plant material, extract, and Marijuana-infused product, and reason for disposal.

· **Generation of reports:** The System will provide robust reporting functionality to determine compliance with State statutes and rules among producers, processors, and retailers. The System will be capable of downloading and searching datasets to create multiple State-mandated reports.

· **Export of data:** The System will provide functionality to export report data to a variety of formats, including, but not limited to: Microsoft Excel, CS.

· **Audit tracking:** The System will provide full tracking of changes to all application data, including date of change, System user ID, type of change (insert, update, delete) and original and updated field values.

### **System user access:**

- Registration and authentication of user access: The System will provide for biometric authentication of users (biometric thumb print scan). System access will be configurable for the needs of each user group. Functionality will provide for the registration of staff administrators.
- Configurable permissions for Licensee employees: The System will allow Licensee administrators to set up System user accounts for employees that would be used only for login at that Licensee organization. Licensee administrators will be able to configure employee access to some activities in the System and not others.
- Reporting functionality: The System will provide functionality to configure access to reporting functionality to Licensee System users.

### **Data storage:**

- Fully hosted solution: All data will be stored in a highly secured data center that employs redundant power, environmental, connectivity, and whose servers are protected with State-of-the-art firewall systems that employ advanced network intrusion prevention technology.
- Data will be available 24/7: Data will be available 24 hours per day, seven days per week, 100% of the time.

### **Product Reports**

EGL will utilize POS software to maintain accurate records of all distributing, sale and dispensing by the dispensary facility. Pursuant to section §1004.17 of the regulations a record of all approved medical marijuana products that have been dispensed shall be filed electronically with the department, utilizing a transmission format acceptable to the department, not later than 24 hours after the marijuana was dispensed to the certified patient or designated caregiver.

Product reports will include but not be limited to:

- A serial number that will be generated by the dispensing facility for each approved medical marijuana product dispensed to the certified patient or designated caregiver;
- An identification number which shall be populated by a number provided by the department, to identify the registered organization's dispensing facility;
- The patient name, date of birth and sex;
- The patient address, including street, city, state, zip code;
- The patient's registry identification card number;
- If applicable, designated caregiver's name and registry identification card number;
- The date the approved medical marijuana product was filled by the dispensing facility;
- The metric quantity for the approved medical marijuana product;
- The medical marijuana product drug code number, which shall be populated by a number provided by the department, to represent the approved medical marijuana brand that was dispensed to the certified patient or designated caregiver, as applicable;
- The number of days supply dispensed;
- The registered practitioner's Drug Enforcement Administration number;
- The date the written certification was issued by the registered practitioner; and

- The payment method.

When applicable, EGL will file a zero report with the department, in a format acceptable to the department. A zero report will mean a report that no approved medical marihuana product was dispensed during the relevant period of time. A zero report shall be submitted no later than 14 days following the most recent previously reported dispensing of an approved medical marihuana product or the submission of a prior zero report.

### **Shipping and Receiving Records**

The registered organization shall maintain all shipping manifests and make them available to the department for inspection upon request, for a period of 5 years. A registered organization shall only transport approved medical marihuana products from a manufacturing facility to dispensing facilities. The approved medical marihuana products must be transported in a locked, safe and secure storage compartment that is part of the vehicle transporting the marihuana; and in a storage compartment that is not visible from outside the vehicle. An employee of a registered organization, when transporting approved medical marihuana products, shall travel directly from the registered organization's manufacturing facility to the dispensing facility and shall not make any unnecessary stops in between. A registered organization shall ensure that all approved medical marihuana product delivery times are randomized. A registered organization shall staff all transport vehicles with a minimum of two employees. At least one transport team member shall remain with the vehicle at all times that the vehicle contains approved medical marihuana products. A transport team member shall have access to a secure form of communication with employees at the registered organization's manufacturing facility at all times that the vehicle contains approved medical marihuana products. A transport team member shall possess a copy of the shipping manifest at all times when transporting or delivering approved medical marihuana products and shall produce it to the commissioner, the commissioner's authorized representative or law enforcement official upon request.

### **Patient Tracking**

EGL will use AgriSoft (a secure HIPPA system) to track and analyze patient data, including but not limited to patient outcomes, utilization and trends. EGL will have the ability to create custom reports for use by the patient/caregiver and the patients recommending practitioner. Patient Reports shall document the patient's treatment and shall serve as a record of product effectiveness and treatment plan. Such reports shall be made available to each patient as requested during counseling for educational and informational purposes. Reviewing the document will help the patient / caregiver keep track of the brands and forms of marijuana used and their effects and to make adjustments as needed to obtain the best results possible. EGL will utilize POS software to maintain accurate records of all distributing, sale and dispensing by the dispensary facility. Pursuant to section §1004.17 of the regulations a record of all approved medical marijuana products that have been dispensed shall be filed electronically with the department, utilizing a transmission format acceptable to the department, not later than 24 hours after the marijuana was dispensed to the certified patient or designated caregiver. Product reports shall include but not be limited to: a serial number that will be generated by the dispensing

facility for each approved medical marijuana product dispensed to the certified patient or designated caregiver; an identification number which shall be populated by a number provided by the department, to identify the registered organization's dispensing facility; the patient name, date of birth and sex; the patient address, including street, city, state, zip code; the patient's registry identification card number; if applicable, designated caregiver's name and registry identification card number; the date the approved medical marijuana product was filled by the dispensing facility; the metric quantity for the approved medical marijuana product; the medical marijuana product drug code number, which shall be populated by a number provided by the department, to represent the approved medical marijuana brand that was dispensed to the certified patient or designated caregiver, as applicable; the number of days supply dispensed; the registered practitioner's Drug Enforcement Administration number; the date the written certification was issued by the registered practitioner; and the payment method. When applicable, EGL will file a zero report with the department, in a format acceptable to the department. A zero report will mean a report that no approved medical marijuana product was dispensed during the relevant period of time. A zero report shall be submitted no later than 14 days following the most recent previously reported dispensing of an approved medical marijuana product or the submission of a prior zero report.

### **Accounting/ Bookkeeping**

The Company is currently maintaining its financial accounting on QuickBooks Enterprise. This system is intended to track all income generation and expenses for the business. We are currently anticipating an accounts receivable clerk and an accounts payable clerk to handle the specific functions, with all accounting operations overseen by a financial controller.

The Controller will be responsible for overseeing the accounting functions. Monthly financial reporting will be prepared for management to track the results monthly against budgets w=that were established. This person will have the responsibility to assure that separation of functions is maintained for financial control and to bring to the attention of management any anomalies or discrepancies between actual and budgeted results. Bank statement reconciliation will be done at this level as a layer of control over the other employees. The accounts receivable clerk will be responsible for the billing of services and product and for the collection of monies due.

Reporting mechanisms are established to control that all receipts and sales are accounted for and properly recorded. The accounts payable clerk will be responsible for the inputting of all expenditures into the system and that all properly approved invoices are paid in a timely fashion. Any expenditure is to be approved by management and all disbursements are to be authorized by management.

The accounting system will be established with department reporting requirements so that separation of functions can be tracked and accounted for. Any reporting requirements will be able to be generated from this system. The overriding governing rule will be for separation of duties and accountability on behalf of staff and management.



**ATTACHMENT E**

## **ATTACHMENT E**

The following documents are included in Attachment E:

1. List of LLC members, ownership interests and voting interests:
  - a. Cannabis of America, LLC
  - b. Empire Green Labs Management Services, LLC
2. Articles of Organization: Cannabis of America, LLC
3. NYS Assumed Name Filing: Empire Green Labs
4. Operating Agreement: Cannabis of America, LLC

## E.1 LLC MEMBERS

### E.1.a Cannabis of America, LLC

Sole Member: Empire Green Labs Management Services, LLC

Interest: 100%

(Reference pages 5 & 6 of the Operating Agreement for Cannabis of America, LLC)

### E.1.b Empire Green Labs Management Services, LLC

Members & Interest:

<sup>1</sup> JJSL, LLC:	80%
Thomas Macre, Sr.:	██████
Thomas Macre, Jr.:	██████
Jonathan E. Kaelin:	██

(Reference page 5 of the Operating Agreement for Empire Green Labs Management Services, LLC)

Voting Interests:

JJSL, LLC:	33.33%
Thomas Macre, Sr.:	██████
Thomas Macre, Jr.:	██████

(Reference page 6 of the Operating Agreement for Empire Green Labs Management Services, LLC)

<sup>1</sup>JJSL, LLC is a single member LLC owned by Peter Cantone.

ONLINE FILING RECEIPT

ENTITY NAME: CANNABIS OF AMERICA LLC

DOCUMENT TYPE: ARTICLES OF ORGANIZATION (DOM. LLC)

COUNTY: WEST

FILED:01/06/2015 DURATION:\*\*\*\*\* CASH#:150106010142 FILE#:150106010142  
DOS ID:4689036

FILER:

EXIST DATE

HUBCO INCORPORATION SERVICES  
77 EAST JOHN STREET  
HICKSVILLE, NY 11801

01/06/2015

ADDRESS FOR PROCESS:

THE LIMITED LIABILITY COMPANY  
427 MANVILLE ROAD  
PLEASANTVILLE, NY 10570

REGISTERED AGENT:



The limited liability company is required to file a Biennial Statement with the Department of State every two years pursuant to Limited Liability Company Law Section 301. Notification that the Biennial Statement is due will only be made via email. Please go to [www.email.ebiennial.dos.ny.gov](http://www.email.ebiennial.dos.ny.gov) to provide an email address to receive an email notification when the Biennial Statement is due.

SERVICE COMPANY: HUBCO-29  
SERVICE CODE: 29

FEE:	210.00	PAYMENTS	210.00
FILING:	200.00	CHARGE	0.00
TAX:	0.00	DRAWDOWN	210.00
PLAIN COPY:	0.00		
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**STATE OF NEW YORK**  
**DEPARTMENT OF STATE**

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is true copy of said original.



WITNESS my hand and official seal of the Department of State, at the City of Albany, on January 06, 2015.

A handwritten signature in cursive script that reads "Anthony Giardina".

Anthony Giardina  
Executive Deputy Secretary of State

**ARTICLES OF ORGANIZATION  
OF  
CANNABIS OF AMERICA LLC**

Under Section 203 of the Limited Liability Company Law

**FIRST:** The name of the limited liability company is:

**CANNABIS OF AMERICA LLC**

**SECOND:** The county, within this state, in which the office of the limited liability company is to be located is WESTCHESTER.

**THIRD:** The Secretary of State is designated as agent of the limited liability company upon whom process against it may be served. The address within or without this state to which the Secretary of State shall mail a copy of any process against the limited liability company served upon him or her is:

THE LIMITED LIABILITY COMPANY  
427 MANVILLE ROAD  
PLEASANTVILLE, NY 10570

**FOURTH:** The limited liability company is to be managed by: ONE OR MORE MEMBERS.

**FIFTH:** The existence of the limited liability company shall begin upon filing of these Articles of Organization with the Department of State.

**SIXTH:** The limited liability company shall have a perpetual existence.

I certify that I have read the above statements, I am authorized to sign these Articles of Organization, that the above statements are true and correct to the best of my knowledge and belief and that my signature typed below constitutes my signature.

PETER J. CANTONE, ORGANIZER (signature)

\_\_\_\_\_  
PETER J. CANTONE , ORGANIZER  
427 MANVILLE ROAD  
PLEASANTVILLE, NY 10570

**Filed by:**  
HUBCO INCORPORATION SERVICES  
77 EAST JOHN STREET  
HICKSVILLE, NY 11801

**HUBCO (29)**  
**DRAWDOWN**  
**CUSTOMER REF# ONLINE1**

**FILED WITH THE NYS DEPARTMENT OF STATE ON: 01/06/2015**  
**FILE NUMBER: 150106010142; DOS ID: 4689036**

N. Y. S. DEPARTMENT OF STATE  
DIVISION OF CORPORATIONS

ALBANY, NY 12231-0001

FILING RECEIPT

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ENTITY NAME : CANNABIS OF AMERICA LLC

DOCUMENT TYPE : ASSUMED NAME LTD LIABILITY CO

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FILER:

FILED: 01/06/2015

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CASH#: 340779

FILM#: 20150106063

HUBCO INCORPORATION SERVICES  
77 EAST JOHN STREET

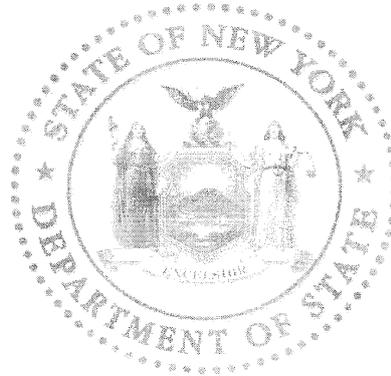
HICKSVILLE NY 11801

PRINCIPAL LOCATION

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427 MANVILLE ROAD

PLEASANTVILLE  
NY 10570



COMMENT:

ASSUMED NAME

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EMPIRE GREEN LABS

=====

SERVICE COMPANY : HUBCO

CODE: 29

BOX : 74

FEEs 50.00

PAYMENTS: 50.00

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FILING : 25.00

CASH :

COUNTY : .00

CHECK :

COPIES : .00

C CARD : 50.00

MISC : .00

REFUND :

HANDLE : 25.00

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DO3HD108

DOS-281 (04/2007)

**CERTIFICATE OF DOING BUSINESS  
AS A LIMITED LIABILITY COMPANY UNDER  
AN ASSUMED NAME**

**Cannabis of America LLC**

Under Section 130 of the General Business Law of the State of New York

Hubco-29

**FILER:**

Hubco Incorporation Services  
77 East John Street  
Hicksville, NY 11801

CERTIFICATE OF DOING BUSINESS  
AS A LIMITED LIABILITY COMPANY UNDER  
AN ASSUMED NAME

Pursuant to Section 130 of the General Business Law of the State of New York,  
does hereby certify the following:

- 1) The name of the limited liability company is:

**Cannabis of America LLC**

- 2) Formed under the Limited Liability Company law.

- 3) The principle place of business of the Limited Liability Company is:

427 Manville Road  
Pleasantville, NY 10570

- 4) The assumed name of the Limited Liability Company is:

**Empire Green Labs**

- 5) The county or counties in which the Limited Liability Company  
will conduct business under the assumed name is/are:

Westchester

- 6) The address(es) of each location, including number and street, if any,  
of each place where the entity carries on, conducts or transacts  
business in New York State is/are:

427 Manville Road  
Pleasantville, NY 10570

IN WITNESS WHEREOF, this Certificate is duly executed and  
acknowledged on **January 6, 2015**

/s/ Peter J. Cantone  
Peter J. Cantone - Member

OPERATING AGREEMENT  
OF  
Cannabis of America LLC  
A New York Limited Liability Company

---

This Operating Agreement (this "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ ("Effective Date") by and among Cannabis America LLC ("Company") and each of the Members whose signatures appear on the signature page hereof (each a "Member"). In consideration of the mutual covenants herein contained and for other good and valuable consideration, the Members and the Company (and each person who subsequently becomes an Equity Owner) hereby agree as follows:

## ARTICLE 1. DEFINITIONS

The following terms used in this Agreement shall have the following meanings (unless otherwise expressly provided herein):

1.1 **Act.** Act shall mean the New York Limited Liability Company Act, as amended.

1.2 **Adjusted Capital Contributions.** Adjusted Capital Contributions shall mean an amount equal to such Equity Owner's Capital Contributions, if any, pursuant to Sections 8.1 and 8.2, less any Distributions made to such Equity Owner pursuant to Section 9.4(c).

1.3 **Affiliate.** Affiliate shall mean, with respect to any Person: (i) any Person directly or indirectly controlling, controlled by, or under common control with such Person, or (ii) any officer, director, or general partner of such Person. For purposes of this definition, the term "controls," "is controlled by," or "is under common control with" shall mean the possession, direct or indirect, 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.

1.4 **Agreement.** Agreement shall mean this Operating Agreement of Cannabis of America LLC as originally executed and as the same may be amended from time to time.

1.5 **Articles of Organization.** The Articles of Organization of the Company as filed with the Secretary of State as the same may be amended from time to time.

1.6 **Capital Account.** Capital Account as of any given date shall mean the Capital Account of each Equity Owner as described in Article 8 and maintained to such date in accordance with this Agreement.

1.7 **Capital Contribution.** Capital Contribution shall mean any contribution to the capital of the Company in cash or property by an Equity Owner whenever made. "Initial Capital Contribution" shall mean the initial contribution to the capital of the Company pursuant to this Agreement.

1.8 **Code.** Code shall mean the Internal Revenue Code of 1986, as amended from time to time, or corresponding provisions of subsequent revenue laws.

1.9 **Company.** Company shall mean Cannabis of America LLC.

1.10 **Company Property.** All assets (real or personal, tangible or intangible, including cash and including, without limitation, the Intellectual Property) of the Company.

1.11 **Deficit Capital Account.** Deficit Capital Account shall mean with respect to any Equity Owner, the deficit balance, if any, in such Equity Owner's Capital Account as of the end of the Fiscal Year, after giving effect to the following adjustments:

(a) credit to such Capital Account the amount, if any, which such Equity Owner is obligated to restore under Section 1.704-1(b)(2)(ii)(c) of the Regulations, as well as any addition thereto pursuant to the next to last sentence of Sections 1.704-2(g)(1) and (i)(5) of the

Regulations, after taking into account thereunder any changes during such year in partnership minimum gain as determined in accordance with Section 1.704-2(d) of the Regulations ("Company Minimum Gain") and in any partner nonrecourse debt minimum as determined under Section 1.704-2(i)(3) of the Regulations ("Member Minimum Gain"); and

(b) debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Regulations. This definition of Deficit Capital Account is intended to comply with the provisions of Regulation §§1.704-1(b)(2)(ii)(d) and 1.704-2, and shall be interpreted consistently with those provisions.

**1.12 Depreciation.** For each Fiscal Year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such Fiscal Year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Managers.

**1.13 Distributable Cash.** All cash, whether revenues or other funds received by the Company, less the sum of the following to the extent paid or set aside by the Company: (i) all principal and interest payments on indebtedness of the Company and all other sums paid to lenders; (ii) all cash expenditures incurred incident to the normal operation of the Company's business; and (iii) Reserves.

**1.14 Distribution.** Any Transfer of Company Property from the Company to or for the benefit of an Equity Owner by reason of such Equity Owner's ownership of an Economic Interest.

**1.15 Economic Interest.** An Equity Owner's share of one or more of the Profits, Losses and Distributions pursuant to this Agreement and the Act, but shall not include any right to participate in the management or affairs of the Company, including, the right to vote on, consent to or otherwise participate in any decision of the Members or Managers.

**1.16 Economic Interest Owner.** The owner of an Economic Interest who is not a Member.

**1.17 Entity.** Any general partnership (including a limited liability partnership), limited partnership (including a limited liability limited partnership), limited liability company, corporation, joint venture, trust, business trust, cooperative or association or any foreign trust or foreign business organization.

**1.18 Equity Owner.** An Economic Interest Owner or a Member.

**1.19 Fiscal Year.** The taxable year of the Company as determined under the Code.

**1.20 Gift.** A gift, bequest, or other transfer for no consideration, whether or not by operation of law, except in the case of bankruptcy.

**1.21 Gifting Equity Owner.** Any Equity Owner who gifts, bequeaths or otherwise transfers for no consideration (by operation of law or otherwise, except with respect to bankruptcy) all or any part of its Ownership Interest.

**1.22 Gross Asset Value.** Gross Asset Value means, with respect to any asset, the asset's

adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by an Equity Owner to the Company shall be the gross fair market value of such asset, as determined by the contributing Member and the Managers, provided that the initial Gross Asset Values of the assets contributed to the Company pursuant to Section 8.1 hereof shall be as set forth in Exhibit 8.1, and provided further that, if the contributing Member is a Manager, the determination of the fair market value of any other contributed asset shall require the consent of the other Members owning a Majority Interest (determined without regard to the Voting Interest of such contributing Member), provided that the initial Gross Asset Values of the assets contributed to the Company by an Economic Interest Owner shall be determined by the Managers;

(b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as reasonably determined by the Managers as of the following times: (i) the acquisition of an additional interest by any new or then existing Equity Owner in exchange for more than a *de minimis* contribution of property (including money); (ii) the Distribution by the Company to an Equity Owner of more than a *de minimis* amount of property as consideration for an Ownership Interest; and (iii) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that adjustments pursuant to clauses (i) and (ii) above shall be made only if the Managers reasonably determine that such adjustments are necessary or appropriate to reflect the relative economic interests of the Equity Owners in the Company;

(c) The Gross Asset Value of any Company asset Distributed to any Equity Owner shall be adjusted to equal the gross fair market value of such asset on the date of Distribution as determined by the distributee and the Managers, provided that, if the distributee is a Manager, the determination of the fair market value of the Distributed asset shall require the consent of the other Members owning a Majority Interest (determined without regard to the Voting Interest of the distributee Member); and

(d) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Section 734(b) or Section 743(b) of the Code, but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulation §1.704-1(b)(2)(iv)(m) and Section 8.3 and subparagraph (e) under the definition of Profits and Losses; provided, however, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (d) of this definition to the extent that the Managers determine that an adjustment pursuant to subparagraph (b) of this definition is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (d).

(e) If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraph (a), (b) or (d) of this definition, then such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

**1.23 Intellectual Property.** The intellectual property of the Company, including, without limitation, and any continuation, extension, renewal, divisional and foreign rights arising therefrom.

**1.24 Majority Interest.** One or more Voting Interests of Members which taken together

equal or exceed ninety two point five percent (92.5%) of the aggregate of all Voting Interests.

1.25 **Managers.** Managers shall mean one or more managers designated as provided in Section 5.2.

1.26 **Member.** The Persons defined as Members in the pre-amble of this Agreement and each of the parties who may hereafter become a Member in accordance with the terms of the Agreement.

1.27 **Membership Interest.** A Member's entire interest in the Company, including such Member's Economic Interest and such other rights and privileges that the Member may enjoy by being a Member.

1.28 **One Hundred Percent Interest.** One Hundred Percent Interest shall mean one or more Voting Interests of Members which taken together equal one hundred percent (100%) of the aggregate of all Voting Interests.

1.29 **Ownership Interest.** Ownership interest shall mean:

- (a) in the case of a Member, the Member's Membership Interest; and
- (b) in the case of an Economic Interest Owner, the Economic Interest Owner's

Economic Interest.

1.30 **Person.** Any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such "Person" where the context so permits.

1.31 **Profits and Losses.** Profits and Losses shall mean for each Fiscal Year of the Company an amount equal to the Company's net taxable income or loss for such year as determined for federal income tax purposes (including separately stated items) in accordance with the accounting method and rules used by the Company and in accordance with Section 703 of the Code with the following adjustments:

(a) Any items of income, gain, loss and deduction allocated to Equity Owners pursuant to Sections 9.2, 9.3 or 9.13 shall not be taken into account in computing Profits or Losses;

(b) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits and Losses (pursuant to this definition) shall be added to such taxable income or loss;

(c) Any expenditure of the Company described in Section 705(a)(2)(B) of the Code and not otherwise taken into account in computing Profits and Losses (pursuant to this definition) shall be subtracted from such taxable income or loss;

(d) In the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraphs (b) or (c) of the definition of Gross Asset Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits and Losses;

(e) Gain or loss resulting from any disposition of any Company asset with respect to which gain or loss is recognized for federal income tax purposes shall be computed with reference to the Gross Asset Value of the asset disposed of, notwithstanding that the adjusted tax basis of such asset differs from its Gross Asset Value;

(f) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year; and

(g) To the extent an adjustment to the adjusted tax basis of any Company asset

pursuant to Section 734(b) or Section 743(b) of the Code is required pursuant to Section 1.704-1(b)(2)(iv)(m)(4) of the Regulations to be taken into account in determining Capital Accounts as a result of a Distribution other than in liquidation of an Ownership Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses.

1.32 **Regulations.** Regulations shall include proposed, temporary and final regulations promulgated under the Code in effect as of the date of filing the Articles of Organization and the corresponding sections of any regulations subsequently issued that amend or supersede such regulations.

1.33 **Reorganization.** Reorganization shall mean the merger or conversion of the Company, or a sale or other disposition of assets of the Company, or sale or other disposition of Ownership Interests, or other transaction pursuant to which a Person or Persons, other than the then current Members, acquire all or substantially all of the assets of, or Ownership Interests in, the Company in a single or series of related transactions, including without limitation, a merger or conversion of the Company into a corporation or other entity, whether or not such corporation or other entity has the same owners as the Company and whether or not additional capital is contributed to such corporation or other entity; and any act which would make it impossible for the Company to exploit, develop, use or Sell all or any material portion of the Intellectual Property.

1.34 **Reserves.** Reserves shall mean, with respect to any fiscal period, funds set aside or amounts allocated during such period to reserves which shall be maintained in amounts deemed sufficient by the Managers for working capital and for payment of taxes, insurance, debt service or other costs or expenses incident to the ownership or operation of the Company's business.

1.35 **Sale or Sell.** A sale, assignment, exchange, or other transfer for consideration, pledge, hypothecation, or grant of a mortgage or security interest or any encumbrance, or change in ownership by reason of the merger, conversion or other transformation in the identity or form of business organization of the owner, regardless of whether such change or transformation is characterized by state law as not changing the identity of the owner.

1.36 **Secretary of State.** The secretary of state of the State of New York.

1.37 **Selling Equity Owner.** Any Equity Owner that Sells, assigns, or otherwise transfers for consideration all or any portion of its Membership Interest or Economic Interest.

1.38 **Sharing Ratio.** The ratio used throughout this Agreement to determine the sharing of certain items. The Initial Sharing Ratio shall be:

<u>Member</u>	<u>Sharing Ratio</u>
Empire Green Labs Management Services LLC	100%

The sharing ratio shall be adjusted from time to time as provided in this Agreement.

1.39 **State.** State shall mean the State of New York.

1.40 **Transfer.** Transfer shall mean any Sale, Gift, encumbrance, pledge or hypothecation.

1.41 **Transferring Equity Owner.** Transferring Equity Owner shall mean a Selling

Equity Owner and a Gifting Equity Owner.

1.42 **Unrecovered Losses.** Unrecovered Losses shall have the meaning set forth in **Section 9.1.**

1.43 **Voting Interest.** The Interests used to determine the Members' respective voting rights on certain matters as provided in this Agreement. The Initial Voting Interest is:

<u>Member</u>	<u>Voting Interest</u>
Empire Green Labs Management Services LLC	100%

## **ARTICLE 2. FORMATION OF COMPANY**

2.1 **Formation.** On October 2, 2014, the Company was organized as a limited liability corporation pursuant to the Act by the execution and delivery of articles of organization to the Secretary of State in accordance with and pursuant to the Act. The Company and the Members hereby forever discharge the Organizer of the Company, and the Organizer shall be indemnified by the Company and the Member from and against, any expense or liability actually incurred by the Organizer by reason of having been the organizer of the Company.

2.2 **Name.** The name of the Company is Cannabis America LLC.

2.3 **Principal Place of Business.** The principal place of business of the Company shall be 427 Manville Rd., Pleasantville, NY 10570. The Company may locate its places of business and registered office at any other place or places as the Managers may from time to time deem advisable.

2.4 **Registered Office and Registered Agent.** The Company's initial registered office and the name of the registered agent at such address shall be as set forth in the Articles. The registered office and registered agent may be changed from time to time by filing the address of the new registered office and/or the name of the new registered agent with the Secretary of State pursuant to the Act.

2.5 **Term.** The Company shall continue in existence until it terminates in accordance with the provisions of this Agreement or the Act.

## **ARTICLE 3. BUSINESS OF COMPANY**

3.1 **Permitted Business.** The business of the Company shall be:

(a) To accomplish any lawful business whatsoever, or which shall at any time appear conducive to or expedient for the protection or benefit of the Company and its assets, including without limitation to develop and exploit the Intellectual Property;

(b) To exercise all other powers necessary to or reasonably connected with the Company's business which may be legally exercised by limited liability companies under the Act; and

(c) To engage in all activities necessary, customary, convenient, or incident to any of the foregoing.

## **ARTICLE 4. NAMES AND ADDRESSES OF EQUITY OWNERS**

4.1 **Members.** The names and addresses of the Initial Members are as follows:

NAME	ADDRESS
Empire Green Labs Management Services LLC	427 Manville Rd. Pleasantville, New York 10570

4.2 **Equity Owners.** The names and addresses of other Equity Owners shall be maintained as provided under Section 13.1.

## **ARTICLE 5. RIGHTS AND DUTIES OF MANAGERS**

5.1 **Management.** The business and affairs of the Company shall be managed by its Managers. Except for situations in which the approval of the Members is expressly required by this Agreement or by nonwaivable provisions of applicable law, the Managers shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts and activities customary or incident to the management of the Company's business. At any time when there is more than one Manager, any one Manager may take any action permitted to be taken by the Managers, unless the approval of more than one of the Managers is expressly required pursuant to this Agreement or the Act or unless a majority of the Managers determine in a writing provided to the remaining Manager(s) prior to such Manager(s) taking a specified action that the approval of more than one of the Managers is required in order to take such action. Unless authorized to do so by this Agreement or by the Managers, no attorney-in-fact, employee or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable pecuniarily for any purpose.

5.2 **Number, Tenure and Qualifications.** The Company shall initially have three Manager who shall be Peter Cantone, Thomas Macre, Sr., Thomas Macre, Jr. The number of Managers shall be fixed from time to time by the affirmative vote of at least seventy six percent (76%) of the Economic Interest Owners of the Company, but in no instance shall there be less than one Manager. Each Manager shall hold office until such Manager resigns pursuant to Section 5.9 or is removed pursuant to Section 5.10. Managers shall be appointed by the affirmative vote of at least seventy six percent (76%) of the Economic Interest Owners of the Company.

5.3 **Certain Powers of Managers.** Without limiting the generality of Section 5.1 but subject to the limitations of Section 5.4, the Managers shall have power and authority, on behalf of the Company:

- (a) To acquire property from any Person as the Managers may determine. The fact that such Person is a Manager, Equity Owner, or Affiliate shall not prohibit the Managers from dealing with that Person;
- (b) To borrow money for the Company from banks, other lending institutions, the Managers, Equity Owners, or Affiliates of the Managers or Equity Owners on such terms as the Managers deem appropriate, and in connection therewith, to hypothecate, encumber and grant security interests in Company Property to secure repayment of the borrowed sums;
- (c) To purchase liability and other insurance to protect the Company's property and business;
- (d) To hold and own any Company real and/or personal properties in the name

of the Company;

(e) To invest any Company funds, including without limitation, in time deposits, short-term governmental obligations, commercial paper or other investments;

(f) To execute on behalf of the Company all instruments and documents, including, without limitation, checks, drafts, notes and other negotiable instruments; mortgages or deeds of trust; security agreements; financing statements; documents providing for the acquisition, mortgage or disposition of Company Property; assignments; bills of sale; leases; partnership agreements; operating or operating agreements of other limited liability companies; and any other instruments or documents necessary, in the opinion of the Managers, to the conduct of the business of the Company;

(g) To employ accountants, legal counsel, managing agents or other experts to perform services for the Company and to compensate them from Company funds;

(h) To enter into any and all other agreements on behalf of the Company, with any other Person for any purpose, in such forms as the Managers may approve;

(i) To execute and file such other instruments, documents and certificates which may from time to time be required by the laws of the State or any other jurisdiction in which the Company shall determine to do business, or any political subdivision or agency thereof, to effectuate, implement, continue and defend the valid existence of the Company; and

(j) To do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business.

**5.4 Limitations on Authority.** Notwithstanding any other provision of this Agreement, the Managers shall not cause or commit the Company to do any of the following without the express written consent of Members holding One Hundred Percent Interest:

(a) To cause the Company to be a party to a Reorganization, Sell or otherwise dispose all or substantially all of the Company Property or any Company Property other than in the ordinary course of business, or Sell all or any material portion of the Intellectual Property; or

(b) Cause the Company to commence a voluntary case as debtor under the United States Bankruptcy Code, as amended from time to time or any successor bankruptcy code.

**5.5 Liability for Certain Acts.**

(a) The Managers do not, in any way, guarantee the return of the Equity Owners' Capital Contributions or a profit for the Equity Owners from the operations of the Company.

(b) The Managers shall not be liable to the Company or to any Member for any loss or damage sustained by the Company or any Member (or successor thereto), except to the extent, if any, that the loss or damage shall have been the result of gross negligence, fraud, deceit, willful misconduct, or material breach of this Agreement.

**5.6 Managers and Members Have No Exclusive Duty to Company.** The Managers and Members shall have no exclusive duty to act on behalf of the Company. Each Manager and Member may have other business interests and may engage in other activities in addition to those relating to the Company. Neither the Company nor any Manager shall have any right, by virtue of this Agreement, to share or participate in any other investments or activities of any other Manager or Member. Neither any Manager nor any Equity Owner shall incur any liability to the Company or to any of the Equity Owners as a result of engaging in any other business or venture.

5.7 **Bank Accounts.** The Managers may from time to time open bank accounts in the name of the Company, and the Managers shall be the sole signatory thereon, unless the Managers determine otherwise.

5.8 **Indemnity of the Managers, Employees and Other Agents.**

(a) The Company shall indemnify each Manager for his actions as a Manager pursuant to this Agreement, and make may advances for expenses to the maximum extent permitted under the Act, except to the extent the claim for which indemnification is sought results from an act or omission for which the Manager may be held liable to the Company or a Member under Section 5.5(b). The Company may indemnify its employees and other agents who are not Managers to the fullest extent permitted by law, provided that such indemnification in any given situation is approved by Members owning a Majority Interest.

(b) Expenses, including without limitation, legal fees and expenses, incurred by a Manager in defending any claim, demand, action, suit or proceeding subject to subsection (a) above may be paid by the Company in advance of the final disposition of such claim, demand, action, suit or proceeding.

5.9 **Resignation.** Any Manager may resign at any time by giving written notice to the Members. The resignation of any Manager shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The resignation of a Manager who is also an Equity Owner shall not affect the Manager's rights as an Equity Owner.

5.10 **Removal.** A Manager may be removed with or without cause at any time by a vote of at least seventy six percent (76%) of the Economic Interest Owners of the Company. The removal of a Manager who is also a Member shall not affect the Manager's rights as a Member and shall not constitute a withdrawal of a Member.

5.11 **Vacancies.** Any vacancy occurring for any reason in the number of Managers shall be filled by the affirmative vote of at least seventy six percent (76%) of the Economic Interest Owners of the Company. Any Manager's position to be filled by reason of an increase in the number of Managers shall be filled by the affirmative vote at least seventy six percent (76%) of the Economic Interest Owners of the Company.

5.12 **Compensation, Reimbursement, Organization Expenses.**

(a) The compensation of the Managers shall be fixed from time to time by an affirmative vote of Members holding a Majority Interest; provided that no Manager shall defer payment of any part of their compensation without the approval of a Majority Interest, and no Manager shall be prevented from receiving such compensation by reason of the fact that he is also a Member.

(b) The Managers shall cause the Company to make an appropriate election to treat the expenses incurred by the Company in connection with the formation and organization of the Company to be amortized under the 60-month period beginning with the month in which the Company begins business to the extent that such expenses constitute "organizational expenses" of the Company within the meaning of Code Section 709(b)(2).

5.13 **Right To Rely on the Managers.** Any Person dealing with the Company may rely upon a certificate signed by any Manager as to:

(a) The identity of any Manager or Equity Owner;

(b) The existence or nonexistence of any fact or facts which constitute a condition precedent to acts on behalf of the Company by any Manager or which are in any other manner germane to the affairs of the Company; or

(c) The Persons who are authorized to execute and deliver any instrument or document of the Company.

## **ARTICLE 6. RIGHTS AND OBLIGATIONS OF EQUITY OWNERS**

6.1 **Limitation of Liability.** Except as otherwise provided by the nonwaivable provisions of the Act and by this Agreement, no Equity Owner shall be liable for an obligation of the Company solely by reason of being or acting as an Equity Owner.

6.2 **List of Equity Owners.** Upon written request of any Member made in good faith and for a purpose reasonably related to the Member's rights as Member under this Agreement which reason shall be set forth in the written request, the Manager shall provide a list showing the names, addresses and Ownership Interests of all Equity Owners. Economic Interest Owners shall have no rights to information under this Section 6.2.

6.3 **Equity Owners Have No Agency Authority.** Except as expressly provided in this Agreement, the Equity Owners, in their capacity as Equity Owners, shall have no agency authority on behalf of the Company.

6.4 **Company Books.** In accordance with Section 9.10 herein, the Managers shall maintain and preserve, during the term of the Company, and for five years after dissolution, all accounts, books, and other relevant Company documents. Upon reasonable request, each Member shall have the right, during ordinary business hours, to inspect and copy such Company documents at the requesting Member's expense.

6.5 **Priority and Return of Capital.** Except as may be expressly provided in Article 9, no Equity Owner shall have priority over any other Equity Owner, either as to the return of Capital Contributions or as to Profits, Losses or Distributions; provided, however, that this Section 6.5 shall not apply to loans, as distinguished from Capital Contributions, which an Equity Owner has made to the Company.

6.6 **Equity Owner Voting.** Equity Owners who are not Members shall have no right to vote or to participate in any manner in the management of the Company, provided however that regardless of their status as a Member, Equity Owners shall have the right to vote for the removal or installation of Members as provided in Article 5 herein. The method of notice, meeting and voting shall be as provided in Article 7 substituting Equity Owners for Members.

## **ARTICLE 7. ACTIONS OF MEMBERS**

7.1 **Actions of Members.** Unless otherwise required in this Agreement, actions and consents of the Members may be communicated or reflected orally, electronically or in writing, and no action need be taken at a formal meeting. Members may, but are not required to, meet from time to time on such notice, if any, as the Member convening the meeting chooses to give. Any consent required to be in writing may be evidenced by separate written counterparts. Any action of the Members shall be effective when a sufficient number of Members to take such action communicate their consent to the action to the Managers.

7.2 **No Required Meetings.** The Members may, but shall not be required to hold any

annual, periodic or other formal meetings. However, meetings of the Members may be called by any Manager, who is also a Member, or by any Member or Members holding at least a Majority Interest of the Voting Interests.

**7.3 Place of Meetings.** The place of meeting for any meeting of the Members shall be at the offices of Sullivan PC, 7 East 20<sup>th</sup> Street, 4R, New York, NY 10003; and Members holding a Majority Interest may designate any other location as the place of meeting for any meeting of the Members.

**7.4 Notice of Meetings.** Except as provided in Section 7.5, written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than 10 nor more than 50 days before the date of the meeting, either personally or by certified mail, return receipt requested.

**7.5 Meeting of all Members.** If all of the Members shall meet at any time and place, either within or outside of the State, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting lawful action may be taken.

**7.6 Record Date.** For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any Distribution, or in order to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed or the date on which the resolution declaring such Distribution is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section 7.6, such determination shall apply to any adjournment thereof.

**7.7 Quorum.** Members holding at least a Majority Interest, represented in person or by proxy, shall constitute a quorum at any meeting of Members. In the absence of a quorum at any such meeting, a majority of the Voting Interests so represented may adjourn the meeting from time to time for a period not to exceed 60 days without further notice. However, if the adjournment is for more than 60 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The Members present at a duly organized meeting may not continue to transact business upon the withdrawal during such meeting of that number of Voting Interests whose absence would cause less than a quorum. The Company shall provide a written notice within ten (10) days after any meeting to any Member not present at said meeting of the actions taken at said meeting.

**7.8 Manner of Acting.** If a quorum is present, the affirmative vote of Members holding a Majority Interest shall be the act of the Members, unless the vote of a greater or lesser proportion or number is otherwise required by the Act, by the Articles of Organization, or by this Agreement. Unless otherwise expressly provided herein, Members who have an interest, economic or otherwise, in the outcome of any particular matter upon which the Members vote or consent may vote or consent upon any such matter and their Voting Interest, vote or consent, as the case may be, shall be counted in the determination of whether the requisite matter is approved by the Members.

**7.9 Proxies.** At all meetings of Members, a Member who is qualified to vote may vote

in person or by proxy executed in a notarized writing by the Member or by a duly authorized attorney-in-fact. Such proxy shall be filed with the Managers before or at the time of the meeting. No proxy shall be valid after 30 days from the date of its execution, unless otherwise provided in the proxy.

**7.10 Action by Members Without a Meeting.** Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents or approvals describing the action taken and signed by Members holding sufficient Voting Interests, as the case may be, to approve such action had such action been properly voted on at a duly called meeting of the Members. Action taken under this Section 7.10 is effective when Members with the requisite Interests or Voting Interests, as the case may be, have signed the consent or approval, unless the consent specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

**7.11 Waiver of Notice.** When any notice is required to be given to any Member, a waiver thereof in a notarized executed writing signed by the person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

## **ARTICLE 8. CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS**

**8.1 Intentionally omitted.**

**8.2 Additional Contributions.** No Equity Owner shall be required to make any Capital Contributions. To the extent approved by Members holding One Hundred Percent Interest, from time to time, the Equity Owners may be permitted to make additional Capital Contributions if and to the extent they so desire, and if the Managers determine that such additional Capital Contributions are necessary or appropriate in connection with the conduct of the Company's business, including without limitation, expansion or diversification. In such event, the Equity Owners shall have the opportunity, but not the obligation to participate in such additional Capital Contributions proportionate to their Sharing Ratios.

**8.3 Capital Accounts.**

(a) A separate Capital Account shall be maintained for each Equity Owner.

(i) Each Equity Owner's Capital Account shall be increased by: (1) the amount of money contributed by such Equity Owner to the Company; (2) the fair market value of property contributed by such Equity Owner to the Company, net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under Section 752 of the Code; (3) allocations to such Equity Owner of Profits; and (4) any items in the nature of income and gain which are specially allocated to the Equity Owner pursuant to Sections 9.2 and 9.3.

(ii) Each Equity Owner's Capital Account shall be decreased by: (1) the amount of money Distributed to such Equity Owner by the Company; (2) the fair market value of property Distributed to such Equity Owner by the Company, net of liabilities secured by such Distributed property that such Equity Owner is considered to assume or take subject to under Section 752 of the Code; (3) any items in the nature of deduction and loss that are specially allocated to the Equity Owner pursuant to Sections 9.2 and 9.3; and (4) allocations to such Equity Owner of Losses.

(b) Without limiting the other rights and duties of a transferee of an Ownership Interest pursuant to this Operating Agreement, in the event of a permitted sale or exchange of an Ownership Interest in the Company, (1) the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Ownership Interest in accordance with Section 1.704-1(b)(2)(iv) of the Regulations; and (2) the transferee shall be treated as the transferor for purposes of allocations and distributions pursuant to Article 9 herein to the extent that such allocations and distributions relate to the transferred Ownership Interest.

(c) The manner in which Capital Accounts are to be maintained pursuant to this Section 8.3 is intended to comply with the requirements of Section 704(b) of the Code and the Regulations promulgated thereunder. If in the opinion of the Company's accountants the manner in which Capital Accounts are to be maintained pursuant to the preceding provisions of this Section 8.3 should be modified in order to comply with Section 704(b) of the Code and the Regulations thereunder, then, notwithstanding anything to the contrary contained in the preceding provisions of this Section 8.3, the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the Equity Owners.

(d) Upon liquidation of the Company, liquidating Distributions shall be made in accordance with the positive Capital Account balances of the Equity Owners, as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs. Liquidation proceeds shall be paid in accordance with Section 12.3. The Company may offset damages for breach of this Agreement by any Equity Owner whose interest is liquidated, either upon the withdrawal of the Equity Owner or the liquidation of the Company, against the amount otherwise Distributable to such Equity Owner. No Equity Owner shall have any obligation to restore all or any portion of a deficit balance in such Equity Owner's Capital Account.

#### **8.4 Withdrawal or Reduction of Equity Owners' Contributions to Capital.**

(a) An Equity Owner shall not receive a Distribution of any part of its Capital Contribution to the extent such Distribution would violate Section 9.5.

(b) Intentionally omitted.

**8.5 Remedies for Nonpayment of Additional Capital Contributions.** Failure of any Equity Owner to make full and timely payment to the Company of any additional Capital Contribution properly assessed hereunder shall constitute a breach of this Agreement and any such Equity Owner shall be hereinafter referred to as a "Defaulting Equity Owner". Upon such a breach, the Managers shall promptly give notice ("Default Notice") to all Equity Owners of: (a) the breach; and (b) a Special Meeting to discuss the appropriate course of action. The Equity Owners who timely satisfied their obligation to make the required Additional Capital Contributions ("Non-Defaulting Equity Owners") may, upon the affirmative vote of those Non-Defaulting Equity Owners which must be Members holding a Majority Interest, pursue the following courses of action:

(a) The Non-Defaulting Equity Owners, shall have an option, but no obligation, to loan to the Company within sixty (60) days after the Default Notice is given ("Loan Decision Period") the amount which the Defaulting Equity Owners have failed to contribute to the Company proportionate to the ratio of the interest in Profits held by each respective Equity Owner electing

to loan funds, to the interest in Profits Interests held by all Equity Owners electing to advance funds. The amount that is loaned by any Non-Defaulting Equity Owner shall, at the election of each such Equity Owner exercised by written notice to the Defaulting Equity Owner and the Company at the time the loan is made, be treated in either one of the following manners ((1) or (2)):

(1) The loan may be treated as a loan to the Company, bearing interest at a floating rate equal to the lesser of the highest rate allowed by law or five percentage points higher than the prime commercial lending rate in effect from time to time at the principal bank used by the Company for banking and borrowing purposes ("Default rate"), payable out of any funds paid by, or withheld by the Company from, the Defaulting Equity Owner to cure the breach, or at such other time as the Company and the lending Equity Owners may agree. Payments shall be credited first to accrued interest. The promissory note or other loan documentation shall contain such other terms and conditions as mutually agreed by the Company and the lending Equity Owners.

(2) The loan may be treated as a loan to the Defaulting Equity Owner, followed by a contribution of the borrowed funds to the Company by the Defaulting Equity Owner curing the breach in whole or in part. Such a loan shall be payable on demand and bear interest at the default rate provided in Section 8.5(a)(1) above. Until the Defaulting Equity Owner's debt to any Non-Defaulting Equity Owners, together with interest thereon, is paid in full, any funds or property which would otherwise be Distributed to the Defaulting Equity Owner from time to time hereunder shall be paid to such Non-Defaulting Equity Owners, according to their respective shares of loans which are treated as loans to the Defaulting Equity Owner. Any such payments shall be deemed to be Distributions to the Defaulting Equity Owner by the Company, followed by appropriate payments by the Defaulting Equity Owner to the respective Non-Defaulting Equity Owners. Payments shall be credited first to accrued interest. Payments to Non-Defaulting Equity Owners of loans by them pursuant to either Section 8.5(a)(1) or 8.5(a)(2) shall be made *pari passu*.

(b) If the Non-Defaulting Equity Owners do not make loans pursuant to Section 8.5(a) in an amount at least equal to the amount which the Defaulting Equity Owner failed to contribute and the Defaulting Equity Owner has not cured said breach prior to the expiration of the Loan Decision Period, then promptly upon the expiration of the Loan Decision Period, the Managers shall give notice ("Default Purchase Option Notice" as more fully described below) to all of the Equity Owners. The Non-Defaulting Equity Owners shall have the option, but no obligation, for the sixty (60)-day period commencing upon the date of the Default Purchase Option Notice to purchase all, but not less than all, of a Defaulting Equity Owner's Interest as provided in this Section 8.5(b). The option granted in this Section 8.5(b) (the "Default Purchase Option") shall be exercisable in the following manner and in accordance with the following terms:

(1) The Default Purchase Option Notice shall notify the Non-Defaulting Equity Owners that they have the opportunity to purchase all, but not less than all, of the Ownership Interest owned by the Defaulting Equity Owner ("Available Ownership Interest").

(2) A Non-Defaulting Equity Owner wishing to exercise the Default Purchase Option shall so notify ("Exercise Notice") the Defaulting Equity Owner and the Company within forty-five (45) days after the date that the Default Purchase Option Notice is given.

(3) Each Non-Defaulting Equity Owner electing to exercise the Default Purchase Option (each an "Electing Equity Owner" and collectively "Electing Equity Owners") shall be entitled to purchase a portion of the Available Ownership Interest proportionate to the Electing Equity Owner's sharing ratio.

(4) The closing for any purchase and sale of the Available Ownership Interest pursuant to this Section 8.5(b) shall take place within ninety (90) days after the date that the Default Purchase Option Notice is given. The specific time and place of closing shall be as agreed by the Electing Equity Owners and the Defaulting Member; provided, however, that in the absence of agreement, the closing shall take place at the offices of Sullivan PC, 7 East 20<sup>th</sup> Street, 4R, New York, NY 10003.

(5) The price for the Defaulting Equity Owner's Ownership Interest ("Default Buyout Price") shall be equal to the Defaulting Equity Owner's Capital Account balance as of the last day of the month preceding the month in which the Exercise Notice is given. For purposes of this Section 8.5(b), the Company's independent certified public accountant shall determine the balance in the Defaulting Equity Owner's Capital Account, and such determination shall be final for purposes of this Agreement.

(6) Upon any purchase of a Defaulting Equity Owner's Ownership Interest pursuant to this Section 8.5(b), the Default Buyout Price may be paid at closing in immediately available funds, or, in the sole discretion of each Electing Equity Owner, by delivering at closing a note issued by the Electing Members as payment for the portion of the Buyout Price attributable to the portion of the Ownership Interest to be purchased by the Electing Equity Owner. The notes issued as payment for the Default Buyout Price shall be negotiable promissory notes of the Company or of the Electing Equity Owner, as appropriate, bearing interest per annum at a floating rate one percentage point over the prime commercial lending rate in effect from time to time at the principal bank used by the Company for banking and borrowing purposes. Any such notes shall provide for payments of principal and interest in equal consecutive monthly installments over a period of not more than five years from the date of issuance of such note, commencing from the date of issuance of such note. Any such notes shall be pre-payable without penalty, in whole or in part, with prepayments applied to the last installment or installments coming due. Such notes shall provide that if any installment of principal or interest is not paid when due or if suit is brought thereon, the maker will pay all costs of collection, including reasonable attorneys' fees.

(7) After purchasing an Available Ownership Interest, each Electing Equity Owner shall make an additional Capital Contribution to the Company in an amount equal to the proportionate share of the Defaulted Capital Contribution attributable to the portion of the Available Ownership Interest purchased by the Electing Equity Owner.

## **ARTICLE 9. ALLOCATIONS, INCOME TAX, DISTRIBUTIONS, ELECTIONS AND REPORTS**

9.1 **Allocations of Profits and Losses from Operations.** Except as provided in Sections 9.2 and 9.3, the Profits and Losses for each Fiscal Year shall be allocated as follows:

(a) Losses shall be allocated among the Equity Owners in proportion to their Adjusted Capital Contributions

(b) Profits shall be allocated as follows:

(i) First, to each Equity Owner which previously has been allocated Losses pursuant to Section 9.1(a) which have not been fully offset by allocations of Income pursuant to this Section 9.1(b)(i) ("Un-recovered Losses") until the total amount of Profits allocated to each such Equity Owner pursuant to this Section 9.1 (b)(i) is equal to the total amount of Losses which have been allocated to such Equity Owner pursuant to Section 9.1(a). Profits allocated pursuant to this Section 9.1(b)(i) shall be allocated to the Equity Owners in proportion to their respective Un-recovered Losses;

(ii) Second, to each Equity Owner an amount equal to the total amount Distributed to such Equity Owner pursuant to Section 9.4(b) proportionate with the total amount Distributed to the Equity Owners pursuant to Section 9.4(b);

(iii) Third, to the Equity Owners in proportion to their Sharing Ratios.

**9.2 Special Allocations to Capital Accounts.** Notwithstanding Section 9.1 hereof:

(a) In the event that any Equity Owner unexpectedly receives any adjustments, allocations or Distributions described in Sections 1.704-1(b)(2)(ii)(d)(4), (5), or (6) of the Regulations, which create or increase a Deficit Capital Account of such Equity Owner, then items of Company income and gain, consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year and, if necessary, for subsequent years, shall be specially allocated to such Equity Owner in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Deficit Capital Account so created as quickly as possible. It is the intent that this Section 9.2(a) be interpreted to comply with the alternate test for economic effect set forth in Section 1.704-1(b)(2)(ii)(d) of the Regulations.

(b) The Losses allocated pursuant to Section 9.1 hereof shall not exceed the maximum amount of Losses that can be so allocated without causing any Member to have a Deficit Capital Account at the end of any Fiscal Year. In the event that some, but not all, of the Members would have Deficit Capital Accounts as a consequence of an allocation of Losses pursuant to Section 9.1 hereof, the limitation set forth in the preceding sentence shall be applied on a Member by Member basis so as to allocate the maximum permissible Losses to each Member under Section 1.704-1(b)(2)(ii)(d) of the Regulations. All Losses in excess of the limitation set forth in this Section 9.2(b) shall be allocated to the Members in proportion to their respective positive Capital Account balances, if any, and thereafter to the Members in accordance with their interests in the Company as determined by the Managers in their reasonable discretion. In the event that any Equity Owner would have a Deficit Capital Account at the end of any Fiscal Year which is in excess of the sum of any amount, if any, that such Equity Owner is obligated to restore to the Company under Section 1.704-1(b)(2)(ii)(c) of the Regulations and such Equity Owner's share of Company Minimum Gain as defined in Section 1.704-2(g)(1) of the Regulations (which is also treated as an obligation to restore in accordance with Section 1.704-1(b)(2)(ii)(d) of the Regulations), the Capital Account of such Equity Owner shall be specially credited with items of Company income, including gross income, and gain in the amount of such excess as quickly as possible.

(c) Notwithstanding any other provision of this Section 9.2, if there is a net decrease in the Company Minimum Gain as during a Fiscal Year, then the Capital Accounts of each Equity Owner shall be allocated items of income, including gross income, and gain for such

Fiscal Year, and if necessary for subsequent Fiscal Years, equal to that Equity Owner's share of the net decrease in Company Minimum Gain. This Section 9.2(c) is intended to comply with the minimum gain chargeback requirement of Section 1.704-2 of the Regulations and shall be interpreted consistently therewith. If in any Fiscal Year that the Company has a net decrease in the Company Minimum Gain, if the minimum gain chargeback requirement would cause a distortion in the economic arrangement among the Equity Owners and it is not expected that the Company will have sufficient other income to correct that distortion, the Managers may in their discretion seek to have the Internal Revenue Service waive the minimum gain chargeback requirement in accordance with Section 1.704-2(f)(4) of the Regulations.

(d) Notwithstanding any other provision of this Section 9.2, except Section 9.2(c), if there is a net decrease in Member Minimum Gain attributable to a Member Non-recourse Debt during any Company Fiscal Year, each Member who has a share of the Member Minimum Gain as of the beginning of the Fiscal Year shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) equal to such Member's share of the net decrease in Member Minimum Gain attributable to such Member Non-recourse Debt. A Member's share of the net decrease in Member Minimum Gain shall be determined in accordance with Section 1.704-2(i)(4) of the Regulations; provided, however, that a Member shall not be subject to this provision to the extent that an exception is provided by Section 1.704-2(i)(4) of the Regulations and any Revenue Rulings issued with respect thereto. Any Member Minimum Gain allocated pursuant to this provision shall consist of first, gains recognized from the disposition of Company Property subject to the Member Non-recourse Debt, and, second, if necessary, a pro rata portion of the Company's other items of income or gain, including gross income, for that Fiscal Year. This Section 9.2(d) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

(e) Items of Company loss, deduction and expenditures described in Section 705(a)(2)(B) of the Code which are attributable to any non-recourse debt of the Company and are characterized as partner non-recourse deductions under Section 1.704-2(i) of the Regulations shall be allocated to the Equity Owners' Capital Accounts in accordance with said Section 1.704-2(i) of the Regulations.

(f) Beginning in the first taxable year in which there are allocations of "non-recourse deductions", described in Section 1.704-2(b) of the Regulations, such deductions shall be allocated to the Equity Owners in the same manner as Loss is allocated for such period.

(g) To the extent that an adjustment to the adjusted tax basis of any Company asset pursuant to Section 734(b) or 743(b) of the Code is required pursuant to Section 1.704-1(b)(2)(iv)(m)(2) or 1.704-1(b)(2)(iv)(m)(4) of the Regulations, to be taken into account in determining Capital Accounts as the result of a Distribution to an Equity Owner in complete liquidation of its Ownership Interest, the amount of such adjustment to Capital Accounts shall be treated as an item of gain, if the adjustment increases the basis of them asset. or loss, if the adjustment decreases such basis, and such gain or loss shall be specially allocated to the Equity Owners in accordance with their interests in the Company in the event Section 1.704-1(b)(2)(iv)(m)(2) of the Regulations applies, or to the Equity Owner to whom such Distribution was made in the event Section 1.704-1(b)(2)(iv)(m)(4) of the Regulations applies.

(h) Any income, gain, loss or deduction realized by the Company as a direct or indirect result of the issuance of an interest in the Company by the Company to an Equity Owner ("Issuance Items") shall be allocated among the Equity Owners so that, to the extent possible, the net amount of such Issuance Items, together with all other allocations under this Agreement to each Equity Owner, shall be equal to the net amount that would have been allocated to each such Equity Owner if the Issuance Items had not been realized.

**9.3 Credit or Charge to Capital Accounts.** Any credit or charge to the Capital Accounts of the Equity Owners pursuant to Sections 9.2(a), 9.2(b), 9.2(c), 9.2(d), 9.2(e), 9.2(f) and 9.2(g) ("Regulatory Allocations") hereof shall be taken into account in computing subsequent allocations of Profits and Losses pursuant to Section 9.1, so that the net amount of any items charged or credited to Capital Accounts pursuant to Section 9.1 and the Regulatory Allocations hereof and this Section 9.3 shall to the extent possible, be equal to the net amount that would have been allocated to the Capital Account of each Equity Owner pursuant to the provisions of this Article 9 if the special allocations required by the Regulatory Allocations hereof had not occurred.

**9.4 Distributions.** Except as provided in Sections 8.3(d) (with respect to liquidating Distributions) and 9.5 (with respect to limitations on Distributions), the Managers shall Distribute Distributable Cash to the Equity Owners as follows:

(a) First, to each Equity Owner in proportion to the federal taxable income of the Company which will be allocated to such Equity Owner ("Tax Profits") for the current Fiscal Year as reasonably estimated by the Managers no later than 10 days prior to the dates that federal estimated quarterly taxes are due for individuals an amount equal to the remainder, if any, of: (x) forty percent (40%) of the estimated Tax Profits allocable to such Equity Owner for the portion of the year ending on the last day of the most recent quarter, minus (y) the sum of all Distributions made to each such Equity Owner pursuant to this Section 9.4(a) with respect to such Fiscal Year, plus forty percent (40%) of any Un-recovered Tax Losses attributable to such Equity Owner as of the first day of the current Fiscal Year. The Un-recovered Tax Losses attributable to an Equity Owner shall mean the positive remainder, if any, of such Equity Owner's share of Company federal tax losses for all prior Fiscal Years minus the Equity Owner's share of Tax Profits for all prior Fiscal Years. The objective of this Section 9.4(a), is to make distributions with reference to each Equity Owner's, and such Equity Owner's predecessor's, share of cumulative Company taxable income or loss. Without limiting this objective, for purposes of this Section 9.4(a), an Equity Owner's share of Tax Profits and Un-recovered Tax Losses shall be determined with reference to Sections 704(c), 734, and 743 of the Code.

(b) Second, to the Equity Owners until they have received aggregate Distributions under this Section 9.4(b) equal to the mathematical equivalent of interest at the rate of twenty five percent (25%) simple interest per annum on the balance from time to time of their respective Adjusted Capital Contributions.

(c) Third, to the Equity Owners proportionate with their Adjusted Capital Contributions until the amount of their respective Adjusted Capital Contributions equals zero.

(d) Fourth, to the Equity Owners in accordance with their Sharing Ratios.

All Distributions which, when made, exceed the recipient Equity Owner's basis in that Equity Owner's Ownership Interest shall be considered advances or drawings against the Equity Owner's Distributive share of Income. To the extent it is determined at the end of the Fiscal Year

that the recipient Equity Owner has not been allocated Income that equals or exceeds the total of such advances or drawings for such year, such Equity Owner shall be obligated to re-contribute any such advances or drawings to the Company. Notwithstanding the foregoing sentence, an Equity Owner will not be required to re-contribute such advances or drawings to the extent that, on the last day of the Fiscal Year, such Equity Owner's basis in its Ownership Interest in the Company has increased from the time of such advance or drawing. Any advance or drawings which are re-contributed by a Member pursuant to this Section 9.4, shall be redistributed to such Member either at the option of such Member or at such time that such distribution will not exceed such Member's basis in its Ownership Interest.

**9.5 Limitation Upon Distributions.** No Distribution shall be made if such Distribution would violate the Act.

**9.6 Accounting Principles.** For financial reporting purposes, the Company shall use accounting principles applied on a consistent basis using the accrual method of accounting determined by the Managers, unless the Company is required to use a different method of accounting for federal income tax purposes, in which case that method of accounting shall be the Company's method of accounting.

**9.7 Interest on and Return of Capital Contributions.** No Member shall be entitled to interest on its Capital Contribution or to return of its Capital Contribution, except as otherwise specifically provided for herein.

**9.8 Loans to Company.** Nothing in this Agreement shall prevent any Member from making secured or unsecured loans to the Company by agreement with the Company.

**9.9 Accounting Period.** The Company's accounting period shall be the Fiscal Year.

**9.10 Records and Reports.** At the expense of the Company, the Managers shall maintain records and accounts of all operations and expenditures of the Company. At a minimum the Company shall keep at its principal place of business the following records:

(a) A current list of the full name and last known business, residence, or mailing address of each Equity Owner and Manager, both past and present;

(b) A copy of the Articles of Organization and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any amendment has been executed;

(c) Copies of the Company's federal, state, and local income tax returns and reports, if any, for the four most recent Fiscal Years;

(d) Copies of the Company's currently effective written Agreement, copies of any writings permitted or required with respect to an Equity Owner's obligation to contribute cash, property or services, and copies of any financial statements of the Company for the three (3) most recent Fiscal Years;

(e) Minutes of every annual, special and court-ordered meeting;

(f) Any written consents obtained from Members for actions taken by Members without a meeting.

**9.11 Returns and Other Elections.** The Managers shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to the

Equity Owners within a reasonable time after the end of the Fiscal Year. All elections permitted to be made by the Company under federal or state laws shall be made by the Managers in their sole discretion; provided, however, that the Managers shall make any tax election requested by Members owning a Majority Interest.

**9.12 Tax Matters Partner.** Any Manager selected by a vote of the Managers, so long as the Manager so selected is also a Member, is hereby designated the Tax Matters Partner ("TMP") as defined in Section 6231(a)(7) of the Code. The TMP and the other Members shall use their reasonable efforts to comply with the responsibilities outlined in Sections 6221 through 6233 of the Code, including any Regulations promulgated thereunder, and in doing so shall incur no liability to any other Member.

**9.13 Certain Allocations for Income Tax (But Not Book Capital Account) Purposes.**

(a) In accordance with Section 704(c)(1)(A) of the Code and Section 1.704-1(b)(2)(i)(iv) of the Regulations, if a Member contributes property with an initial Gross Asset Value that differs from its adjusted basis at the time of contribution, income, gain, loss and deductions with respect to the property shall, solely for federal income tax purposes and not for Capital Account purposes, be allocated among the Equity Owners so as to take account of any variation between the adjusted basis of such property to the Company and its Gross Asset Value at the time of contribution pursuant to the traditional method under Section 1.704-3(b) of the Regulations

(b) Pursuant to Section 704(c)(1)(B) of the Code, if any contributed property is Distributed by the Company other than to the contributing Equity Owner within seven years of being contributed, then, except as provided in Section 704(c)(2) of the Code, the contributing Equity Owner shall, solely for federal income tax purposes and not for Capital Account purposes, be treated as recognizing gain or loss from the sale of such property in an amount equal to the gain or loss that would have been allocated to such Equity Owner under Section 704(c)(1)(A) of the Code if the property had been sold at its fair market value at the time of the Distribution.

(c) In the case of any Distribution by the Company to an Equity Owner, such Equity Owner shall, solely for federal income tax purposes and not for Capital Account purposes, be treated as recognizing gain in an amount equal to the lesser of:

(1) the excess, if any, of (A) the fair market value of the property (other than money) received in the Distribution over (B) the adjusted basis of such Equity Owner's Ownership Interest immediately before the Distribution reduced (but not below zero) by the amount of money received in the Distribution; or

(2) the Net Pre-contribution Gain, as defined in Section 737(b) of the Code, of the Equity Owner. The Net Pre-contribution Gain means the net gain, if any, which would have been recognized by the distributee Equity Owner under Section 704(c)(1)(B) of the Code if all property which (A) had been contributed to the Company within seven years of the Distribution, and (B) is held by the Company immediately before the Distribution, had been Distributed by the Company to another Equity Owner. If any portion of the property Distributed consists of property which had been contributed by the distributee Equity Owner to the Company, then such property shall not be taken into account under this Section 9.13(c) and shall not be taken into account in determining the amount of the Net Pre-contribution Gain. If the property Distributed consists of an interest in an Entity, the preceding sentence shall not apply to the extent

that the value of such interest is attributable to the property contributed to such Entity after such interest had been contributed to the Company.

(d) All recapture of income tax deductions resulting from sale or disposition of Company Property shall be allocated to the Equity Owners to whom the deduction that gave rise to such recapture was allocated hereunder to the extent that such Equity Owner is allocated any gain from the sale or other disposition of such property.

## **ARTICLE 10. TRANSFERABILITY**

### **10.1 General.**

(a) Except as otherwise specifically provided herein, no Equity Owner shall have the right to Transfer the Equity Owner's Ownership Interest and any transfer by an Equity Owner in violation of the terms of this Article shall be void *ab initio*.

(b) Each Equity Owner hereby acknowledges the reasonableness of the restrictions on Transfer of Ownership Interests imposed by this Agreement in view of the Company purposes and the relationship of the Equity Owners. Accordingly, the restrictions on sale and gift contained herein shall be specifically enforceable.

### **10.2 Right of First Refusal.**

(a) A Selling Equity Owner that desires to sell all or any portion of its Ownership Interest to a any person, including a Member or the Company shall obtain from such third party purchaser ("Third Party Purchaser") a bona fide written offer to purchase such interest, stating the terms and conditions upon which the purchase is to be made and the consideration offered therefor ("Third Party Offer"). The Selling Equity Owner shall give written notification ("Notice of Sale") to the Company and other Equity Owners who are Members ("Remaining Members"), by certified mail or personal delivery, of its intention to so transfer such Ownership Interest ("Offered Interest"). The Notice of Sale shall be accompanied by a copy of the Third Party Offer. If any portion of the purchase price offered by such third party purchaser consists of consideration other than cash or a promissory note ("Non-cash Consideration"), then: (1) the Notice of Sale also shall be accompanied by a good faith estimate by the Selling Equity Owner of the fair market value of the Non-cash Consideration, and (2) for purposes of Section 10.2(b) and 10.2(c) the purchase price of the Offered Interest (the "Purchase Price") shall be adjusted as follows:

(1) The Purchase Price shall be decreased by the Non-cash Consideration; and

(2) The Purchase Price shall be increased by an amount equal to either (aa) the Selling Equity Owner's good faith estimate of the fair market value of the Non-cash Consideration ("Seller's Estimate") or (bb) in the discretion of the Managers, the appraised fair market value of the Non-cash Consideration determined by an independent appraiser selected by the Managers in their sole discretion. The Managers shall have the sole discretion to choose between the amount determined pursuant to clauses (aa) and (bb) of this subsection 10.2(a)(ii). If the appraised fair market value of the Non-cash Consideration is not determined within twenty (20) days after the Notice of Sale, then such fair market value shall be equal to the amount of the Seller's Estimate.

(b) The Remaining Members shall have the option ("Buy Option") to purchase

all, but not less than all, of the Offered Interest, on a basis pro rata to the Sharing Ratios of the Remaining Members exercising such option pursuant to this Section 10.2(b). The Buy Option may be exercised by one or more of the Remaining Members by giving written notification ("Buy Notice") to the Selling Equity Owner within thirty (30) days after receiving the Notice of Sale ("Option Period"). Each Remaining Member who timely gives a Buy Notice ("Buying Member") shall purchase such portion of the Offered Interest which is equal to the relative Sharing Ratios of all of the Buying Members. If there are no Buying Members, the Buy Option shall terminate and at any time within ninety (90) days following the expiration of the Option Period, the Selling Equity Owner shall be entitled to consummate the sale of the Offered Interest to the Third Party Purchaser or one or more of its Affiliates upon terms no less favorable than are set forth in the Third Party Offer.

(c) If there is at least one Buying Member (i) the Buying Members shall designate the time, date and place of closing, provided that the date of closing shall be within thirty (30) days after the receipt of the Buy Notice, and (ii) at the closing, the Buying Members shall purchase, and the Selling Equity Owner shall sell, the Offered Interest for an amount equal to the Purchase Price as modified in accordance with Section 10.2(a)(i) and (ii) and in accordance with such other terms and conditions set forth in the Third Party Offer.

(d) A sale of an Offered Interest pursuant to this Section 10.2, shall be subject to Sections 10.3 and 10.4.

#### **10.3 Transferee Not Member in Absence of Consent.**

(a) Except as provided in this Section 10.3(a), if all of the Remaining Members holding One Hundred Percent Interest do not approve by written consent of the proposed sale of the Transferring Equity Owner's Ownership Interest to a transferee that is not a Member immediately prior to the sale, then the proposed transferee shall have no right to participate in the management of the business and affairs of the Company or to become a Member. Such transferee shall be merely an Economic Interest Owner. No transfer of a Member's Membership Interest, including any transfer of the Economic Interest or any other transfer which has not been approved as provided herein, shall be effective unless and until written notice, including the name and address of the proposed transferee and the date of such transfer, has been provided to the Company and the non-transferring Members.

(b) Upon and contemporaneously with any sale or gift of a Member's Ownership Interest, the Transferring Equity Owner shall cease to have any residual rights associated with the Ownership Interest transferred to the transferee.

#### **10.4 Additional Conditions to Recognition of Transferee.**

(a) If a Transferring Equity Owner sells or gifts an Ownership Interest to a Person who is not already a Member, as a condition to recognizing one or more of the effectiveness and binding nature of such sale or gift (subject to Section 10.3 above), the remaining Members may require the Transferring Equity Owner and the proposed successor-in-interest to execute, acknowledge and deliver to the Managers such instruments of transfer, assignment and assumption and such other certificates, representations and documents, and to perform all such other acts which the Managers may deem necessary or desirable to accomplish any one or more of the following:

- (1) constitute such successor-in-interest as an Equity Owner;
- (2) confirm that the proposed successor-in-interest as an Economic

Interest Owner, or to be admitted as a Member, has accepted, assumed and agreed to be subject and bound by all of the terms, obligations and conditions of this Agreement, as the same may have been further amended whether such Person is to be admitted as a new Member or will merely be an Economic Interest Owner;

(3) preserve the Company after the completion of such sale, transfer, assignment, or substitution under the laws of each jurisdiction in which the Company is qualified, organized or does business;

(4) maintain the status of the Company for federal tax purposes; and

(5) assure compliance with any applicable state and federal laws, including securities laws and regulations.

(b) Any sale or gift of an Ownership Interest and admission of a Member in compliance with this Article 10 shall be deemed effective as of the last day of the calendar month in which the remaining Members' consent thereto was given or, if no such consent was required pursuant to Section 10.3, then on such date that the successor in interest complies with Section 10.4(a). The Transferring Equity Owner hereby indemnifies the Company and the remaining Members against any and all loss, damage, or expense, including, without limitation, tax liabilities or loss of tax benefits, arising directly or indirectly as a result of any transfer or purported transfer in violation of this Article 10.

**10.5 Transfers Among Existing Members.** From time to time the Existing Members may re-allocate Membership Interests among themselves and on such terms as the Members holding One Hundred Percent Interest may agree in writing.

## **ARTICLE 11. ISSUANCE OF MEMBERSHIP INTERESTS**

**11.1 Issuance of Additional Membership Interests to New Members.** From the date of the formation of the Company, any Person whom Members holding One Hundred Percent Interest approve in writing may become a Member in the Company by the issuance by the Company of Membership Interests for such consideration as the Members holding One Hundred Percent Interest shall determine, subject to the terms and conditions of this Agreement.

**11.2 Part Year Allocations With Respect to New Members.** No new Members shall be entitled to any retroactive allocation of losses, income or expense deductions incurred by the Company. In accordance with the provisions of Section 706(d) of the Code and the Regulations promulgated thereunder, the Managers may, at their option, at the time a Member is admitted, close the Company books (as though the Company's Fiscal Year had ended) or make pro rata allocations of loss, income and expense deductions to a new Equity Owner for that portion of the Company's Fiscal Year in which an Equity Owner became an Equity Owner.

## **ARTICLE 12. DISSOLUTION AND TERMINATION**

### **12.1 Dissolution.**

(a) The Company shall be dissolved only upon the occurrence of any of the following events:

(1) the written agreement of Members holding One Hundred Percent Interest;

(2) by an order of a court of competent jurisdiction in an action

commenced by any Member in which such Member can show by a preponderance of the evidence that:

(i) The Members are unreasonably deadlocked in the management of the Company's affairs after a good faith attempt by such Members to resolve their differences, and irreparable injury to the Company is threatened, or the business and affairs of the corporation can no longer be conducted, because of such deadlock;

(ii) The Managers or other Members in control of the Company have acted, are acting, or will act in a manner that is illegal, oppressive, or fraudulent;

(iii) There have been repeated, material breaches of the Agreement by the Company or by other Members or Managers; or

(iv) The Company's assets are being misapplied or wasted.

Notwithstanding anything to the contrary in the Act, the Company shall not be dissolved upon the death, retirement, resignation, expulsion, bankruptcy or dissolution of an Equity Owner.

(b) As soon as possible following the issuance of an order effecting the dissolution of the Company, the appropriate representative of the Company shall execute all documents required by the Act at the time of dissolution and file or record such statements with the appropriate officials.

**12.2 Effect of Dissolution.** Upon dissolution, the Company shall cease to carry on its business, except insofar as may be necessary for the winding up of its business, but its separate existence shall continue until the winding up and Distribution is completed.

**12.3 Winding Up, Liquidation and Distribution of Assets.**

(a) Upon dissolution, an accounting shall be made by the Company's Managers of the accounts of the Company and of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution. The Managers shall immediately proceed to wind up the affairs of the Company.

(b) If the Company is dissolved and its affairs are to be wound up, the Managers shall:

(1) Sell or otherwise liquidate all of the Company's assets as promptly as practicable, except to the extent that the Managers may determine to Distribute in kind any assets to the Equity Owners;

(2) Allocate any Profit or Loss resulting from such sales to the Equity Owners' Capital Accounts in accordance with Article 9 hereof;

(3) Discharge all liabilities of the Company, including liabilities to Equity Owners who are also creditors, to the extent otherwise permitted by law, other than liabilities to Equity Owners for Distributions and the return of capital, and establish such Reserves as may be reasonably necessary to provide for contingent liabilities of the Company For purposes of determining the Capital Accounts of the Equity Owners, the amounts of such Reserves shall be deemed to be an expense of the Company;

(4) Distribute the remaining assets to the Equity Owners as follows:

(i) First, to the Equity Owners until they have received aggregate Distributions under this Section 12.3(b) equal to two hundred percent (200%) of their

positive Capital Account balances;

(ii) Second, to the Equity Owners in accordance with their Sharing Ratios.

(5) If any assets of the Company are to be distributed in kind, the net fair market value of such assets as of the date of dissolution shall be determined by independent appraisal or by agreement of the Members. Such assets shall be deemed to have been sold as of the date of dissolution for their fair market value, and the Capital Accounts of the Equity Owners shall be adjusted pursuant to the provisions of Article 9 and Section 8.3 of this Agreement to reflect such deemed sale; and

(6) The positive balance, if any, of each Equity Owner's Capital Account, as determined after taking into account all Capital Account adjustments for the Company's Fiscal Year during which the liquidation occurs, shall be Distributed to the Equity Owners, either in cash or in kind, as determined by the Managers, with any assets Distributed in kind being valued for this purpose at their fair market value. Any such Distributions to the Equity Owners in respect of their Capital Accounts shall be made in accordance with the time requirements set forth in Section 1.704-1(b)(2)(ii)(b)(2) of the Regulations.

(c) Notwithstanding anything to the contrary in this Agreement, upon a liquidation within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations, if any Equity Owner has a Deficit Capital Account, after giving effect to all contributions, Distributions, allocations and other Capital Account adjustments for all Fiscal Years, including the year during which such liquidation occurs, such Equity Owner shall have no obligation to make any Capital Contribution, and the negative balance of such Member's Capital Account shall not be considered a debt owed by such Equity Owner to the Company or to any other Person for any purpose whatsoever.

(d) Upon completion of the winding up, liquidation and Distribution of the assets, the Company shall be deemed terminated.

(e) The Managers shall comply with any applicable requirements of applicable law pertaining to the winding up of the affairs of the Company and the final Distribution of its assets.

**12.4 Filing or Recording Statements.** Upon the conclusion of winding up, the appropriate representative of the Company shall execute all documents required by the Act at the time of completion of winding up and file or record such statements with the appropriate officials.

**12.5 Return of Contribution Non-recourse to Other Equity Owners.** Except as provided by law or as expressly provided in this Agreement, upon dissolution, each Equity Owner shall look solely to the assets of the Company for the return of its Capital Contribution. If the Company Property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the cash contribution of one or more Equity Owners, such Equity Owners shall have no recourse against any other Equity Owner.

## **ARTICLE 13. MISCELLANEOUS PROVISIONS**

**13.1 Notices.** Any notice, demand, or communication required or permitted to be given by any provision of this Agreement shall be deemed to have been sufficiently given or served if delivered by messenger or overnight courier, or mailed, certified first class mail, postage prepaid,

return receipt requested, and addressed or sent to the Equity Owner's and/or Company's address, as set forth on Exhibit 13.1. Such notice shall be effective, (a) if delivered by messenger or by overnight courier, upon actual receipt, or if the date of actual receipt is not a business day in the State of New York, upon the next business day; or (b) if mailed, upon the earlier of five (5) business days after deposit in the mail and the delivery as shown by return receipt therefor. Any Equity Owner or the Company may change its address by giving notice in writing to the Company and the other Equity Owners of its new address.

**13.2 Books of Account and Records.** Proper and complete records and books of account shall be kept or shall be caused to be kept by the Managers, in which shall be entered fully and accurately all transactions and other matters relating to the Company's business in such detail and completeness as is customary and usual for businesses of the type engaged in by the Company. Such books and records shall be maintained as provided in Section 9.10. The books and records shall at all times be maintained at the principal executive office of the Company, and shall be open to the reasonable inspection and examination of the Equity Owners or their duly authorized representatives during reasonable business hours.

**13.3 Application of Law.**

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

(b) **Jurisdiction; Venue.** Any disputes arising out of or related in any way to this Agreement, including a breach of this Agreement, shall be filed in the state or federal courts in New York County, New York. By execution and delivery of this Agreement, each of the signors knowingly, voluntarily and irrevocably consent and agree to the jurisdiction of the New York courts. No signor will argue or contend that it is not subject to the jurisdiction of the New York courts or that venue in New York County, New York, is improper.

(c) **Waiver of Jury Trial.** By execution and delivery of this Agreement, each of the signors knowingly, voluntarily and irrevocably: (i) waives any right to trial by jury; (ii) agrees that any dispute arising out of this Agreement shall be decided by court trial without a jury; and (iii) agrees that any party to this Agreement may file an original counterpart with any court as written evidence of the consents, waivers and agreements of the parties set forth herein.

**13.4 Waiver of Action for Partition.** Each Equity Owner irrevocably waives during the term of the Company any right that it may have to maintain any action for partition with respect to the Company Property.

**13.5 Amendments.** This Agreement may not be amended except by the unanimous written agreement of all of the parties hereto.

**13.6 Execution of Additional Instruments.** Each Equity Owner hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney and other instruments necessary to comply with any laws, rules or regulations.

**13.7 Construction.** Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

**13.8 Effect of Inconsistencies with the Act.** It is the express intention of the Equity

Owners and the Company that this Agreement shall be the sole source of agreement among them, and, except to the extent that a provision of this Agreement expressly incorporates federal income tax rules by reference to sections of the Code or Regulations or is expressly prohibited or ineffective under the Act, this Agreement shall govern, even when inconsistent with, or different than, the provisions of the Act or any other law or rule. In the event that the Act is subsequently amended or interpreted in such a way to make valid any provision of this Agreement that was formerly invalid, such provision shall be considered to be valid from the effective date of such interpretation or amendment. The Members and the Company hereby agree that the duties and obligations imposed on the Members as such shall be those set forth in this Agreement, which is intended to govern the relationship among the Company and the Equity Owners, notwithstanding any provision of the Act or common law to the contrary.

13.9 **Waivers.** The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

13.10 **Rights and Remedies Cumulative.** The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

13.11 **Attorneys' Fees.** Should the Company or any party to this Agreement reasonably retain counsel for the purpose of enforcing or preventing breach of any provision of this Agreement, including but not limited to instituting any action or proceeding to enforce any provision of this Agreement, for damages by reason of any alleged breach of any provision of this Agreement, for a declaration of such party's rights or obligations under this Agreement or for any other judicial remedy, then, if the matter settled by judicial determination or arbitration, the prevailing party, whether at trial, on appeal, or arbitration, shall be entitled, in addition to such other relief as may be granted, to be reimbursed by the losing party for all costs and expenses incurred, including, but not limited to, reasonable attorneys' fees and costs for services rendered to the prevailing party.

13.12 **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. Without limiting the generality of the foregoing sentence, to the extent that any provision of this Agreement is prohibited or ineffective under the Act or common law, this Agreement shall be considered amended to the smallest degree possible in order to make the Agreement effective under the Act or common law.

13.13 **Heirs, Successors and Assigns.** Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Agreement, their respective heirs, legal representatives, successors and assigns.

13.14 **Creditors.** None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company.

13.15 **Counterparts.** This Agreement may be executed in counterparts, each of which

shall be deemed an original but all of which shall constitute one and the same instrument.

13.16 Intentionally omitted.

13.17 **Power of Attorney.** Each Equity Owner hereby irrevocably makes, constitutes and appoints the Managers, with full power of substitution, so long as such Managers are acting in such a capacity, and any successor Manager thereof so long as such Manager is acting in such capacity, its true and lawful attorney, in such Equity Owner's name, place and stead with the limited powers herein granted. This instrument is not to be construed and interpreted as a general power of attorney. The enumeration of specific items, act, rights, or powers herein does limit and restrict, and is to be construed and interpreted as limiting and restricting the powers herein granted to said attorney in fact. It is expressly understood and intended that the grant of such power of attorney is coupled with an interest to make, execute, sign, acknowledge, swear and file with respect to the Company. This powers granted herein are limited to the following:

(a) the effectuation of all amendments of this Agreement which has been authorized in accordance with the terms of this Agreement;

(b) the execution of all documents that the Managers deem necessary or desirable to effect the dissolution and termination of the Company which has been authorized in accordance with the terms of this Agreement;

(c) all such other instruments, documents and certificates which may from time to time be required by the laws of the State or any other jurisdiction in which the Company shall determine to do business, or any political subdivision or agency thereof, to effectuate, implement, continue and defend the valid existence of the Company; and

(d) all instruments, documents and certificates which the Managers deem necessary or desirable in connection with a Reorganization which has been authorized in accordance with the terms of this Agreement.

This power of attorney shall not be affected by and shall survive the bankruptcy, insolvency, death, incompetency, or dissolution of an Equity Owner and shall survive the delivery of any assignment by the Equity Owner of the whole or any portion of its Ownership Interest. Each Equity Owner hereby releases each Manager from any liability or claim in connection with the exercise of the authority granted pursuant to this power of attorney, and in connection with any other action taken by such Manager pursuant to which such Manager purports to act as the attorney-in-fact for one or more Equity Owners, if the Manager believed in good faith that such action taken was consistent with the authority granted to it pursuant to this Section. Notwithstanding any language in Section 3.17 to the contrary, the power of attorney described in Section 3.17 shall not permit the Managers to reduce or circumvent any authorization requirement provided in the Agreement.

13.18 **Representations and Warranties.**

(a) In General. As of the date hereof, each of the Equity Owners hereby makes each of the representations and warranties applicable to such Equity Owner as set forth in Section 13.18 hereof, and such warranties and representations shall survive the execution of this Agreement.

(b) No Conflict with Restrictions; No Default. Neither the execution, delivery, and performance of this Agreement nor the consummation by such Equity Owner of the transactions contemplated hereby: (i) will conflict with, violate, or result in a breach of any of the terms, conditions, or provisions of any law, regulation, order, writ, injunction, decree,

determination, or award of any court, any governmental department, board, agency, or instrumentality, domestic or foreign, or any arbitrator, applicable to such Equity Owner or any of its Affiliates; (ii) will conflict with, violate, result in a breach of, or constitute a default under any of the terms, conditions, or provisions of the articles of incorporation, bylaws, partnership agreement, limited liability company agreement or operating agreement of such Equity Owner or any of its Affiliates or of any material agreement or instrument to which such Equity Owner or any of its Affiliates is a party or by which such Equity Owner, or any of its Affiliates is or may be bound or to which any of its material properties or assets is subject; (iii) will conflict with, violate, result in a breach of, constitute a default under (whether with notice or lapse of time or both), accelerate or permit the acceleration of the performance required by, give to others any material interests or rights, or require any consent, authorization, or approval under any indenture, mortgage, lease agreement, or instrument to which such Equity Owner or any of its Affiliates is a party or by which such Equity Owner or any of its Affiliates is or may be bound; or (iv) will result in the creation or imposition of any lien upon any of the material properties or assets of such Equity Owner or any of its Affiliates.

(3) Government Authorizations. Any registration, declaration, or filing with, or consent, approval, license, permit, or other authorization or order by, any government or regulatory authority, domestic or foreign, that is required in connection with the valid execution, delivery, acceptance, and performance by such Equity Owner under this Agreement or the consummation by such Equity Owner of any transaction contemplated hereby has been completed, made, or obtained on or before the Effective Date of this Agreement.

(4) Litigation. There are no actions, suits, proceedings, or investigations pending or, to the knowledge of such Equity Owner or any of its Affiliates, threatened against or affecting such Equity Owner or any of its Affiliates or any of their properties, assets, or businesses in any court or before or by any governmental department, board, agency, or instrumentality, domestic or foreign, or any arbitrator which could, if adversely determined (or, in the case of an investigation could lead to any action, suit, or proceeding, which if adversely determined could, reasonably be expected to materially impair such Equity Owner's ability to perform its obligations under this Agreement or to have a material adverse effect on the consolidated financial condition of such member; and such Equity Owner or any of its Affiliates has not received any currently effective notice of any default, and such Equity Owner or any of its Affiliates is not in default, under any applicable order, writ, injunction, decree, permit, determination, or award of any court, any governmental department, board, agency, or instrumentality, domestic or foreign, or any arbitrator which could reasonably be expected to materially impair such Equity Owner's ability to perform its obligations under this Agreement or to have a material adverse effect on the consolidated financial condition of such Equity Owner.

#### 13.19 Confidentiality.

(a) The parties hereto shall hold in confidence and not disclose to any person for any purpose any and all information relevant to: Company; the businesses of the Company, and the Intellectual Property, and any other information reasonably related to the foregoing ("Confidential Information").

(b) The parties hereto shall hold the Confidential Information in complete confidence and not disclose said information to any person for any purpose other than as required

by law, except that Equity Owners may disclose the Confidential Information, only to the extent reasonably necessary to the officers, directors, shareholders of Equity Owners, Equity Owner's attorneys and accountants ("Equity Owners' Representatives") if the Equity Owners' Representatives are needed to evaluate the information on the behalf of Equity Owners. Equity Owners shall take all reasonable steps necessary to assure adherence by Equity Owner's Representatives to the provisions of this Section.

(c) The parties hereto also acknowledge that, from time to time, the Company may, at its sole discretion, specify in writing, certain additional information as included in the Confidential Information and subject to the terms of this Agreement.

(d) The parties hereto acknowledge and agree that awareness by anyone other than the Company and the Equity Owners of any of the Confidential Information will irreparably harm the businesses of the Company and the interests of the Members. The parties hereto agree that any breach of this Agreement constitutes a substantial and irreparable breach of the Agreement.

(e) The parties hereto may disclose, only to the minimal extent legally necessary, including, without limitation, the filing of judicial or administrative appeals or requests for orders, Confidential Information in response to any immediately legally enforceable summons or subpoena or in order to comply with any order, law, ruling, stock exchange rule or regulation immediately applicable to Equity Owners. In the event that any party hereto becomes aware of any possibility of a legal compulsion to disclose the Confidential Information, such party shall provide the Company with notice of such requirement as quickly as possible to permit the Company to seek a protective order or other appropriate remedy to prevent disclosure of the Confidential Information.

**13.20 Noncompetition Agreement.** The members hereby affirm their obligations under the Noncompetition Agreement of even date hereof annexed hereto as Exhibit 13.20, which document is included herein by reference. It is specifically agreed and understood that a breach of the Noncompetition Agreement: (a) constitutes a material breach of this Operating Agreement; and (b) permits the remaining members to, within one hundred and eighty (180) days of the discovery of said breach, opt to require the breaching member to transfer all of his or her interests in the Company to the Company upon the terms provided in Section 10.2 of this Operating Agreement.

**13.21 Captions.** The captions in this Agreement are for convenience only and shall not be considered a part hereof or affect the construction or interpretation of any provisions of this Agreement.

#### *CERTIFICATE*

The undersigned hereby agree, acknowledge and certify that the foregoing Agreement, consisting of \_\_\_\_\_ pages, excluding the Table of Contents and attached Exhibits, constitutes the Agreement of Cannabis of America LLC adopted by the Equity Owners as of Cannabis of America LLC.

Cannabis of America, LLC

By:   
Empire Green Labs Management  
Services LLC, Managing Member

**EXHIBIT 8.1**

**INITIAL CAPITAL CONTRIBUTIONS**

<b>Name and Address of Initial Member</b>	<b>Initial Capital Contribution</b>
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**EXHIBIT 8.2**

**ADDITIONAL CAPITAL CONTRIBUTIONS**

<b>Member</b>	<b>Maximum Capital Contribution</b>	<b>Additional</b>
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**EXHIBIT 13.1**

**NAME, ADDRESS AND FACSIMILE NUMBER OF  
EQUITY OWNER**

<b>Name/Address</b>	<b>Facsimile Number</b>
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**ATTACHMENT F**

## **ATTACHMENT F**

**Included in Attachment F are two fully executed labor peace agreements with Specialty Trade Union, Local 741: one signed by Cannabis of America, LLC and one signed by Cannabis of America's parent company, Empire Green Labs Management Services, LLC.**

## Memorandum of Agreement on Union Organizing Procedures

This Agreement is entered into by and between Cannabis of America, LLC ["EMPLOYER"] and Specialty Trade Union, Local 741 (hereinafter referred to as the "Union").

1. This Agreement applies to Employer's medical marijuana cultivation/manufacturing facility to be licensed in New York State.
2. The employees covered by this Agreement are all full and part-time hourly staff employed by Cannabis of America, LLC at their facility located 42 Windsor Place, Central Islip, New York (the "Employees").
3. Employer and the Union have agreed to the following procedures to enable the Employees to choose whether or not to be represented by the Union, in an atmosphere free from delay, intimidation or labor-management conflict.
  - a. Duly authorized representatives from the Union seeking to communicate with the Employees shall be permitted to enter upon the Employer's property after first providing reasonable advance notice to Employer.
  - b. Employer will take a neutral approach to the unionization of the Employees. The Union will not disparage Employer nor will the Union coerce or threaten any Employee in an effort to get authorization cards.
  - c. Upon the Union's request, Employer will recognize the Union as the exclusive collective bargaining agent for the bargaining unit provided that the Union demonstrates majority support from the Employees.
  - d. If the Union is recognized as the exclusive bargaining representative as provided in paragraph (c) above, the parties shall immediately begin negotiations for a collective bargaining agreement and shall conduct such negotiations diligently and in good faith to the end of reaching agreement expeditiously.
4. The Union will not engage in or encourage any strike, picketing, boycott, hand billing or any other economic activity directed against Employer during the term of this Agreement. Employer shall not engage in a lockout of the Employees during the term of this Agreement. Neither the Union nor Employer will file any charges or election petition with the National Labor Relations Board in connection with this Agreement; but rather, arbitration pursuant to paragraph 6 of this Agreement shall be the exclusive means of dispute resolution.
5. In the event that during the term of this Agreement, Employer sells, transfers, or assigns all or any of its right, title or interest in Empire Green Labs, LLC covered by this Agreement or substantially all of the assets used at 42 Windsor Place, Central Islip, NY

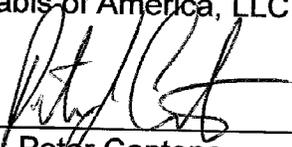
or in the event that there is a change in the form of ownership of Employer, Employer shall give the Union reasonable advance notice thereof in writing and Employer further agrees that as a condition of any such sale, assignment or transfer, Employer all obtain from its successor or successors in interest a written assumption of this Agreement and furnish a copy thereof to the Union, in which event the assignor shall be relieved of its obligations hereunder to the extent that the assignor has fully transferred its right, title or interest.

6. The parties agree that any disputes over the interpretation or application of this Agreement shall be submitted to expedited and binding arbitration. If the parties cannot agree on an arbitrator, the rules of the American Arbitration Association will apply.

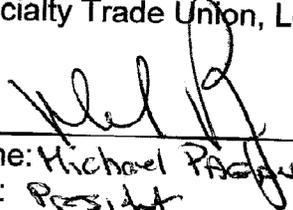
7. This Agreement shall remain in effect for three years from the date it is fully executed by Employer and the Union or upon execution of a collective bargaining agreement, whichever comes first. Notwithstanding the above, if Employer voluntarily recognizes any other union as the exclusive bargaining representative of the Employees, this Agreement shall terminate immediately and without further notice.

IN WITNESS WHEREOF, the parties hereto by their duly designated representatives have executed this Agreement.

Cannabis of America, LLC

By:   
Name: Peter Cantone  
Title: Manager  
Date: May 7, 2015

Specialty Trade Union, Local 741

By:   
Name: Michael Pagan  
Title: President  
Date: 5-18-15

## Memorandum of Agreement on Union Organizing Procedures

This Agreement is entered into by and between Empire Green Labs Management Services, LLC ["EMPLOYER"] and Specialty Trade Union, Local 741 (hereinafter referred to as the "Union").

1. This Agreement applies to Employer's medical marijuana cultivation/manufacturing facility to be licensed in New York State.
2. The employees covered by this Agreement are all full and part-time hourly staff employed by Empire Green Labs Management Services, LLC at their facility located 42 Windsor Place, Central Islip, New York (the "Employees").
3. Employer and the Union have agreed to the following procedures to enable the Employees to choose whether or not to be represented by the Union, in an atmosphere free from delay, intimidation or labor-management conflict.
  - a. Duly authorized representatives from the Union seeking to communicate with the Employees shall be permitted to enter upon the Employer's property after first providing reasonable advance notice to Employer.
  - b. Employer will take a neutral approach to the unionization of the Employees. The Union will not disparage Employer nor will the Union coerce or threaten any Employee in an effort to get authorization cards.
  - c. Upon the Union's request, Employer will recognize the Union as the exclusive collective bargaining agent for the bargaining unit provided that the Union demonstrates majority support from the Employees.
  - d. If the Union is recognized as the exclusive bargaining representative as provided in paragraph (c) above, the parties shall immediately begin negotiations for a collective bargaining agreement and shall conduct such negotiations diligently and in good faith to the end of reaching agreement expeditiously.
4. The Union will not engage in or encourage any strike, picketing, boycott, hand billing or any other economic activity directed against Employer during the term of this Agreement. Employer shall not engage in a lockout of the Employees during the term of this Agreement. Neither the Union nor Employer will file any charges or election petition with the National Labor Relations Board in connection with this Agreement; but rather, arbitration pursuant to paragraph 6 of this Agreement shall be the exclusive means of dispute resolution.
5. In the event that during the term of this Agreement, Employer sells, transfers, or assigns all or any of its right, title or interest in Empire Green Labs, LLC covered by this Agreement or substantially all of the assets used at 42 Windor Place, Central Islip, NY

DRAFT

or in the event that there is a change in the form of ownership of Employer, Employer shall give the Union reasonable advance notice thereof in writing and Employer further agrees that as a condition of any such sale, assignment or transfer, Employer all obtain from its successor or successors in interest a written assumption of this Agreement and furnish a copy thereof to the Union, in which event the assignor shall be relieved of its obligations hereunder to the extent that the assignor has fully transferred its right, title or interest.

6. The parties agree that any disputes over the interpretation or application of this Agreement shall be submitted to expedited and binding arbitration. If the parties cannot agree on an arbitrator, the rules of the American Arbitration Association will apply.

7. This Agreement shall remain in effect for three years from the date it is fully executed by Employer and the Union or upon execution of a collective bargaining agreement, whichever comes first. Notwithstanding the above, if Employer voluntarily recognizes any other union as the exclusive bargaining representative of the Employees, this Agreement shall terminate immediately and without further notice.

IN WITNESS WHEREOF, the parties hereto by their duly designated representatives have executed this Agreement.

Empire Green Labs Management Services, LLC

By: Thomas Macre Sr.  
Name: Tom Macre, Sr.  
Title: CEO  
Date: May 7, 2015

Specialty Trade Union, Local 741

By: Michael P. [Signature]  
Name: Michael P. [Signature]  
Title: President  
Date: 5-18-15

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**ATTACHMENT G**

## **ATTACHMENT G**

The following documents are included in Attachment G:

1. *Pro Forma* Statements, 4 Years for Cannabis of America, LLC d/b/a Empire Green Labs
  - a. Start-Up Cost Estimates
  - b. Cash Flow Statements
  - c. Balance Sheets
  - d. P&L Statements
2. Empire Green Labs Management Services, LLC Supplemental Information
3. Financial statement setting forth all elements and details of all business transactions connected with the application, including the all agreements and contracts for consultation.
4. Commitment of Funds Documentation



Redacted pursuant to N.Y. Public Officers Law, Art. 6



Redacted pursuant to N.Y. Public Officers Law, Art. 6



Redacted pursuant to N.Y. Public Officers Law, Art. 6



Redacted pursuant to N.Y. Public Officers Law, Art. 6



Redacted pursuant to N.Y. Public Officers Law, Art. 6



Redacted pursuant to N.Y. Public Officers Law, Art. 6



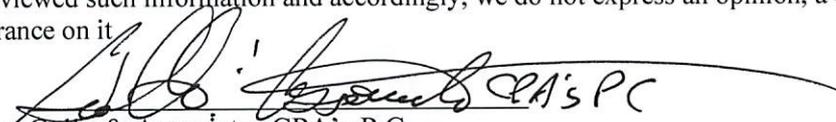
Redacted pursuant to N.Y. Public Officers Law, Art. 6



June 1, 2015

To The Members  
Empire Green Labs Management Services LLC  
Pleasantville, New York

The Supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have not audited or reviewed such information and accordingly, we do not express an opinion, a conclusion, nor provide any assurance on it

  
Gallo & Associates CPA's P.C.

**Pleasantville, New York**  
May 31, 2015

Empire Green Labs Management Services LLC  
 Supplemental Information  
 Prepared by Management

		<u>Gordon Redman</u>	<u>Harlan Clark</u>	<u>Wire Spray Foam</u>	<u>marQaha</u>	<u>Domato</u>	<u>Matt Cook</u>	<u>Macre</u>	<u>Garry Panico</u>	<u>Medcanna Consulting</u>	<u>Michelle Sexton'</u>	<u>Total</u>	
<b>Post Date</b>	<b>Check</b>												
05/29/2015	Wire	35.00	35.00									35.00	
05/29/2015	Wire	10,000.00		10,000.00								10,000.00	
05/28/2015	Wire	235.65	235.65									235.65	
05/27/2015	Wire	10.00		10.00								10.00	
05/21/2015	93	40.00			40.00							40.00	
05/14/2015	92	3,000.00									3,000.00	3,000.00	
05/14/2015	91	9,000.00							9,000.00			9,000.00	
05/13/2015	Wire	35.00			35.00							35.00	
05/13/2015	Wire	5,000.00			5,000.00							5,000.00	
05/13/2015	Wire	35.00								35.00		35.00	
05/13/2015	Wire	25,000.00								25,000.00		25,000.00	
05/13/2015	Wire	10.00		10.00								10.00	
05/12/2015	Wire	10,000.00	10,000.00									10,000.00	
05/27/2015	Wire	5,800.00				5,800.00						5,800.00	
05/27/2015	Wire	250,000.00					250,000.00					250,000.00	
05/27/2015	Wire	50,000.00						50,000.00				50,000.00	
		368,200.65	10,035.00	235.65	10,020.00	5,075.00	5,800.00	250,000.00	50,000.00	9,000.00	25,035.00	3,000.00	368,200.65

Note: This schedule is a list of consultants paid by infusion of cash by members subsequent to the report date.

See accompanying accountant's report on supplementary information

**FINANCIAL STATEMENT:**

The following services were contracted for in connection with the application for registration as a Registered Organization by Cannabis of America, LLC or its parent company Empire Green Labs Management Services, LLC.

<u>Name</u>	<u>Function</u>	<u>Amount Paid</u>	<u>Money Due</u>	<u>Services End With Application</u>
Richard Domato	Surveyor	\$5,800	\$5,200	Yes
Gerry Panico	Architect	\$9,000	\$39,000	No
M.E.P. Designs	Engineer	\$10,000	\$35,000	No
Tyco Printing	Printer		\$4,200	Yes
	Security/Compliance			
Matt Cook	Director	\$250,000	\$0	No
Thomas Macre, Sr.	Advisor	\$50,000	\$50,000	No
Gary Mullin	Financial Advisor	\$16,000	\$0	No
Peter Sullivan	Legal	\$29,000	\$0	No
Gallo CPA, PC	CPA	\$15,000	\$0	No
Dr. Michelle Sexton	Science Advisor	\$5,000	\$0	No
Dr. Bonni Goldstein	Chief Medical Advisor	\$20,000	\$60,000	No
marQaha	Production Consultant	\$5,000	\$5,000	TBD
MedCanna	Cultivation Consultant	\$25,000	\$25,000	No
Gordon Redmon	Facility Consultant	\$10,000	\$0	No
Sandy R. Menasha	GAP Director	\$1,000	\$0	No
Wavespawn	Logo Development	\$2,800	\$0	No
Pharmacist Assoc.	Pharmacist Job Ads	\$1,700	\$0	Yes
MBA Tech, LTD	Landlord –White Plains	\$10,000	\$0	No
Motoring Madness	Landlord - Latham	\$0	\$5,000	No
NY DOH	Application & Registration	\$0	\$210,000	N/A
		<u>\$440,500</u>	<u>\$438,400</u>	

Contract/Service Details:

**Richard Domato:** The surveyor was paid to visit proposed location to do a visual site survey to ensure that the proposed dispensary and manufacturing facilities were not within a restricted area of a school or place of worship.

**Gerry Panico:** Architect hired to generate architectural drawing of each of the proposed facilities and to complete Appendix B. Contract ends when build-outs completed.

**M.E.P. Design/Atlantic Consulting and Engineering:** Mechanical engineering firm. No Contract. Agreement to do work expires when build-outs completed.

**FOIL EXEMPTION REQUESTED – INFORMATION CONTAINED ON THIS PAGE INCLUDES CRITICAL INFRASTRUTURE INFORMATION**

**Tyco Printing:** Printing of the application packages.

**Matt Cook:** Security and regulatory compliance consultant and a member of an advisory board for Empire Green Labs Management Services. Matt has reviewed EGLMS's procedures and made recommendations to tighten security and limit the possibility of diversion and any threat of intrusion. He is also responsible for writing the sections of the application directly related to security. Contract in place.

**Thomas Macre, Sr.:** Both an advisor on the application process and the parent company's CEO. He has a [REDACTED] equity interest in Empire Green Labs Management Services, LLC. He will receive compensation for his role as CEO but negotiations on the terms of his position have not been completed. He is owed an additional \$50,000 post application.

**Gary Mullin:** Has received a monthly stipend for assisting with pre application financial transactions. Gary will act as CFO of Empire Green Labs Management Services

**Peter Sullivan:** Legal counsel both prior to and after application.

**Gallo CPA, PC:** CPA firm retained to audit financial statements. Gallo CPA, PC will continue to act as the CPA post application.

**Dr. Michelle Sexton:** An advisor who assisted with internal laboratory SOPs and Quality Assurance procedures for the application. Post approval Dr, Sexton will assist in overseeing the Quality Assurance/Quality Control until a local individual has received sufficient training to handle these functions internally. Dr. Sexton will sit on the advisory board as the Science Advisor. Partial contract in place.

**Dr Bonni Goldstein:** Dr. Goldstein will act as the company's Chief Medical Advisor. Post approval she will develop a series of educational materials for training pharmacist dispensary staff. She will participate and lead training seminars for hospital administrators and practitioners. Contract in place.

**marQaha:** Production consultant. Assisted with development of labels, choosing devices and provided a majority of production protocols. In negotiations for post approval services which would include: set-up of production areas, equipment negotiations, hiring production staff (employees of Cannabis of America) and training local employees in proper extraction and formulation protocols. Contract would be for a period of two years.

**MedCanna** Cultivation consultant. Hired to assist with sections of the application related to the cultivation process and post approval to: monitor the build-out and assist in equipment negotiations. MedCanna will also assist in hiring and training local employees. Their contract runs for a period of 5 years during which time they will they will receive a

**FOIL EXEMPTION REQUESTED – INFORMATION CONTAINED ON THIS PAGE  
INCLUDES CRITICAL INFRASTRUTURE INFORMATION**

compensation package based on both flat fees (years 1 and 2) and fees based on both quantity produced and a percentage of EBTA (Earnings Before Taxes and Amortization).

**Gordon Redman:** Hired as a consultant to oversee proper facility design. Mr. Redman is responsible for the design and development of a large number of technologies and equipment used in indoor horticulture. No contract.

**Sandy R. Menasha:** Hired as the GAP Director for Cannabis of America, LLC. She has no duties prior to application approval, but when a license has been issued she will be hired as the GAP Director reporting directly to the Cultivation Operations Manager.

**Wavespawn:** Logo design company. No further involvement needed.

**Pharmacist Association:** Fee paid was to run listings for pharmacists in Central Islip, White Plains, Poughkeepsie and Latham. The interested applicants have been narrowed down to three exceptional possibilities per area. Two from each area will be hired, pending receipt of fingerprinted background checks, post license approval. No Contracts.

**MBA Tech, LTD:** Landlord for the proposed location in White Plains, NY. Landlord was paid an option fee to cover holding the property off the market till the end of July. The option contract allows Cannabis of America to extend the option period, if needed, for an additional three months. Option agreement signed.

**Motoring Madness:** Landlord for the proposed location in Latham, NY. No option payment is required until mid-June, when a \$5,000 payment must be advanced to the landlord. Option agreement signed.

#### **Capital Contribution and Source of Additional Funds:**

The funds expended by Empire Green Labs Management Services, LLC on behalf of Cannabis of America, LLC were provided solely by Peter Cantone as representative of JJSL Medical, LLC. JJSL Medical is a single member LLC and holds a majority interest (80%) in Empire Green Labs Management Services. Peter Cantone is the sole member of JJSL Medical.

An additional \$12 million in capital has been secured through National Financial. These funds will be disbursed as an interest-only loan secured by a payment bond. To qualify for the payment bond, a long-time associate of Mr. Cantone, the owner of WJL Equities Danielle Buenaventura has agreed to secure the bond through her company.

A copy of the commitment letter from National Financial is attached.

**FOIL EXEMPTION REQUESTED – INFORMATION CONTAINED ON THIS PAGE  
INCLUDES CRITICAL INFRASTRUTURE INFORMATION**

Sherman Carlton  
President  
National Financial Company  
P.O. Box 18185  
Munds Park, Arizona, 86017

Dear Mr. Carlton;

June 3, 2015

WJL Equities Inc. wishes to offer National Financial Company the opportunity to purchase its' investment grade corporate note.

ISSUANCE DATE: To Be Determined

AMOUNT: \$20,000,000

TERM: 2 years

COUPON RATE: To Be Determined based on the credit quality of the credit wrap.

COUPON PAYMENTS: Interest payments shall be due on the first day of the calendar quarter.

PURPOSE: The funds from the sale of the instrument will be used to establish and operate Cannabis of America, LLC

Thank you for your consideration.

Sincerely,



William Loughheed  
Senior V.P.  
WJL Equities Inc.

Acknowledgement:

National Financial Company



Date: 6/4/14

By:

CARLTON J. SHERMAN JR

its

PRESIDENT

## AGREEMENT

AGREEMENT ("Agreement") made this 5 day of June, 2015 ("Effective Date") by and between Cannabis of America Corp. ("CA") a New York corporation with offices located at 427 Manville Rd., Pleasantville, New York 10570 and WJL Equities Services LLC, maintaining offices at 427 Manville Rd., Pleasantville, New York 10570 ("WJL") (CA and WJL individually and collectively referred to as "Party" or "Parties").

### WITNESSETH:

WHEREAS, based upon their mutual representations and promises, WJL and CA are willing to enter into this Agreement;

NOW THEREFORE, for the valuable consideration set forth in this Agreement and intending to be legally bound, WJL, and the CA mutually promise and agree as follows:

1. WJL shall use good faith efforts to sell an investment grade note ("Note") in the sum of twenty million dollars (\$20,000,000) pursuant to terms that require that all funds generated by said sale shall be provided to CA to be used to establish and operate the business of CA.
2. For ten dollars and other valuable consideration, the sufficiency of which is hereby acknowledged by WJL, WJL shall promptly tender and provide to CA any and all funds generated by the Note without deduction for purpose except the costs charged and received by the financial firm retained to assist in the sale of the Note.
3. Miscellaneous
  - (a) The execution, delivery and performance of this Agreement will not conflict with or constitute default under agreement or contract.
  - (b) The rights granted herein shall be cumulative and action on one shall not be deemed to constitute an election or waiver of any other right to which a Party hereto may be entitled. Each Party hereby waives trial by jury in any action or proceeding arising hereunder.
  - (c) The Parties may not assign this Agreement without the prior written consent of all Parties.
  - (d) Any notice, request, information or other document to be given hereunder to one of the Parties by the other Party shall be in writing and shall be given by hand delivery, certified or



any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (i) no claim or right arising out of this letter agreement can be discharged by one Party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other Party; (ii) no waiver that may be given by a Party will be applicable except in the specific instance for which it is given; and (iii) no notice to or demand on one Party will be deemed to be a waiver of any obligation of such Party or of the right of the Party giving such notice or demand to take further action without notice or demand as provided in this letter agreement.

(g) **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

(h) **Jurisdiction; Venue.** The Parties agree that any disputes arising out of or related in any way to this Agreement, including a breach of this Agreement, shall be filed in the state or federal courts in New York County, New York. The Parties consent and agree to the jurisdiction of the New York courts. Neither Party will argue or contend that it is not subject to the jurisdiction of the New York courts or that venue in New York County, New York, is improper.

(i) **Waiver of Jury Trial.** By execution and delivery of this Agreement, each of the Parties knowingly, voluntarily and irrevocably: (i) waives any right to trial by jury; (ii) agrees that any dispute arising out of this Agreement shall be decided by court trial without a jury; and (iii) agrees that any Party to this Agreement may file an original counterpart with any court as written evidence of the consents, waivers and agreements of the Parties set forth herein.

(j) **Attorneys' Fees.** If any legal action or any other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the prevailing Party or Parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

(k) **Counterparts and Facsimile.** This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument. Facsimile transmission of any signed original document and/or retransmission of any signed facsimile transmission will be deemed the same as delivery of an original. At the request of any Party, the Parties will confirm facsimile transmission by signing a duplicate original document.

(l) **Entire Agreement.** This Agreement (including the schedules and exhibits hereto), and the documents delivered pursuant hereto, constitute the entire agreement and understanding between the Parties and supersede any prior agreement and understanding relating to the subject

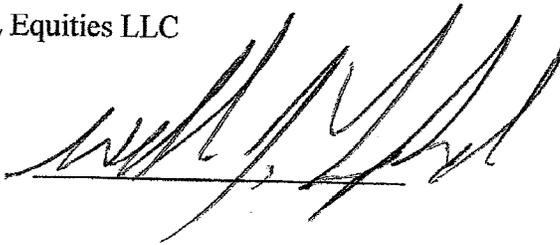
matter of this Agreement. This Agreement may be modified or amended only by a written instrument executed by both the CA and WJL.

IN WITNESS WHEREOF, the Parties have executed this Agreement on June 5, 2015.

[SIGNATURE PAGE TO FOLLOW]

WJL Equities LLC

By:

A handwritten signature in black ink, appearing to be "W. J. L.", written over a horizontal line.

Cannabis of America Corp.

By:

A handwritten signature in black ink, appearing to be "Peter J. Carter", written over a horizontal line.



**ATTACHMENT I**

## **ATTACHMENT I**

The following documents are included in Attachment I:

1. CPA Engagement Letter: Gallo CPA, PC
2. Empire Green Labs Management Services, LLC Financial Statements as of April 30, 2015
3. Empire Green Labs Management Services, LLC Supplemental Information
4. Commitment of Funds Documentation



May 1, 2015

Empire Green Labs Management Services, LLC  
427 Manville Road  
Pleasantville, NY 10570

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

We will perform the following services:

We will review the balance sheet of Empire Green Labs Management Services, LLC as of April 30, 2015 and the related statements of income, retained earnings, and cash flows for the four months then ended, and issue an accountant's report thereon in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

The objective of a review engagement is to obtain limited assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with accounting principles generally accepted in the United States of America.

You are responsible for:

- a. The preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America
- b. Designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements
- c. Preventing and detecting fraud
- d. Identifying and ensuring that the company complies with the laws and regulations applicable to its activities
- e. The selection and application of accounting principles
- f. Making all financial records and related information available to us and for the accuracy and completeness of that information
- g. Providing us, at the conclusion of the engagement, with a letter that confirms certain representations made during the review

We will conduct our review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A review includes primarily applying analytical procedures to your financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. A review does not contemplate obtaining an understanding of the Company's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents (for example, cancelled checks or bank images); or other procedures ordinarily performed in an audit. Accordingly, we will not express an opinion regarding the financial statements as a whole.

Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts. However, we will inform the appropriate level of management of any material errors and of any evidence or information that comes to our attention during the performance of our review procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our review procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. In addition, we have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

If, for any reason, we are unable to complete our review of your financial statements, we will not issue a report on such statements as a result of this engagement.

You are responsible for making all management decisions and performing all management functions, and for designating an individual who possesses suitable skill, knowledge, or experience to oversee any bookkeeping services, tax services, or other services we provide. In addition, you are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Joseph C. Gallo is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our charges to the Company for our services will be made at our regular rates plus travel and other out-of-pocket expenses. Invoices will be rendered on a monthly basis and are payable on presentation.

The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Our liability to you for any damages which you may suffer as a result of any errors or omissions on our part, regardless of the form of action, shall not exceed the total amount actually paid by you for our services during the year in which we may suffer as a result of any negligence or misconduct on your part, including, but not limited to, reasonable expenses incurred in investigating, preparing or defending against, producing evidence or documents or serving as a witness in connection with, or settling, any litigation or proceeding commenced or threatened against us.

In addition, the company further agrees to indemnify and hold us harmless for any liability and all reasonable costs, including legal fees, which we may incur as a result of services performed under

engagement in the event there are false or misleading representations made to us by any member of the company's management.

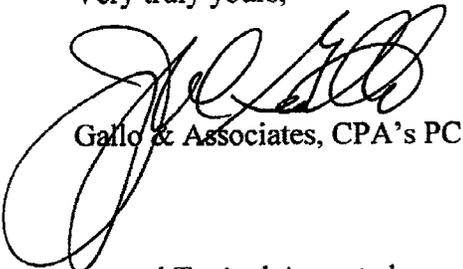
Any dispute, claim or controversy between us arising out of or relating to any of the terms of our engagement or the performance of our services as described in this agreement, to the extent that the same cannot otherwise be resolved between us and the Company, shall be submitted to and determined by private mediation held in the State of New York in accordance with the rules then obtaining of the American Arbitration Association and in accordance with the Civil Practice Law and Rules of the State of New York applicable thereto. The Mediator(s) shall be jointly selected. Should mediation be unsuccessful in settling any dispute, then the parties agree to proceed to arbitration in accordance with the Rules of the American Arbitration Association for Resolution of Accounting Firm Disputes. Any award or decision made by the arbitrator(s) shall be conclusive and judgment upon said award or decision may be entered in any court having jurisdiction thereof. All arbitrators' expenses and fees, together with other expenses, including attorneys fees, incurred in the conduct of the arbitration, shall be paid by the party against whom the arbitration is determined (or partially by each party according to such determination if it shall not be entirely against one party).

This agreement will be construed in accordance with the laws of the State of New York applicable to contracts to be performed entirely therein.

This letter sets forth the complete and exclusive statements of your agreement with respect to our engagement by the Company and supersedes all proposals, oral or written, and other communications between us. If any provision of this agreement is determined to be unenforceable, all other provisions shall remain in effect.

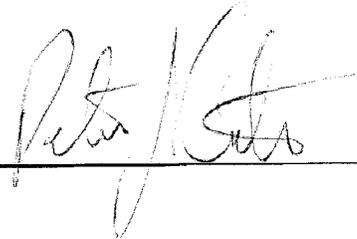
If the foregoing is acceptable to you, please sign one copy of this letter below under the words "Agreed To And Accepted".

Very truly yours,



Gallo & Associates, CPA's PC

Agreed To And Accepted:  
Empire Green Labs Management Services, LLC

By:  \_\_\_\_\_

Date: 5/26/15

**Empire Green Labs Management Services, LLC**  
**427 Manville Road**  
**Pleasantville, NY 10570**

May 19, 2015

Gallo & Associates CPA's P.C.  
427 Manville Road  
Pleasantville, NY 10570

We are providing this letter in connection with your review of the statement of financial condition and related statement of changes in net worth of Empire Green Labs Management Services, LLC as of April 30, 2015, for the four months then ended, for the purpose of expressing limited assurance that there are no material modifications that should be made to the statements in order for them to be in conformity with generally accepted accounting principles. We confirm that we are responsible for the fair presentation in the statements of financial condition and changes in net worth in conformity with generally accepted accounting principles. All assets are presented in their estimated current values and all liabilities are presented at their estimated current amounts, which have been determined in accordance with the guidelines promulgated by the American Institute of Certified Public Accountants. (Because of our limited expertise with generally accepted accounting principles, including financial statements disclosures, we have engaged you to advise us in fulfilling that responsibility.)

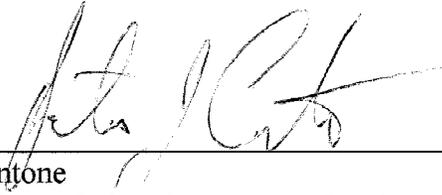
Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person using the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of May 19, 2015, the following representations made to you during your review.

1. The financial statements referred to above are fairly presented in conformity with generally accepted accounting principles.
2. We have made all financial records and related data available to you. We have not knowingly withheld from you any financial records or related data that in our judgment would be relevant to your review.
3. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
4. We acknowledge our responsibility to prevent and detect fraud.
5. We have no knowledge of any fraud or suspected fraud affecting us that could have a material effect on the financial statements, including communications from others.

6. We have no plans or intentions that may materially affect the carrying amounts or classification of assets and liabilities.
7. There are no material losses that have not been properly accrued or disclosed in the financial statements.
8. There are no:
  - a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
  - b. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed.
9. We have satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor have any assets been pledged.
10. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
11. The following have been properly recorded or disclosed in the financial statements:
  - a. Related party transactions and related accounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees. We understand that related parties include members of my family as well as business entities in which we, or members of our family, have an investment that allows the exercise of control or significant influence.
  - b. Guarantees, whether written or oral, under which the company is contingently liable.
12. We are in agreement with the adjusting journal entries, if any you have recommended.
13. There are no estimates that may be subject to material change in the near-term that have not been properly disclosed in the financial statements. We understand that near-term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the company vulnerable to the risk of a near-term severe impact that have not been properly disclosed in the financial statements.
14. We have not retained an attorney for matters that may involve current or prospective litigation, and we are not aware of pending or threatened litigation, claims or assessments that should be disclosed in the financial statements.

15. No events have occurred subsequent to the date of the statement of financial condition and through the date of this letter that would require adjustment to, or disclosure in, the financial statements, other than negotiations for 20 million dollars for funding the production and roll-out of the product.
16. We have responded fully and truthfully to all inquiries you made to us during your review.
17. We understand that we are entering an industry that is legalized in New York State, but not by the Federal Government. The Internal Revenue Service has taken a limited view on the legality of medical marijuana.
18. All operations going forward are dependent on being awarded a license by New York State.
19. As of this date, Empire Green Labs Management Services, LLC is the sole owner of Cannabis of America, LLC and no other companies.



---

Peter Cantone  
Empire Green Labs Management Services, LLC

**EMPIRE GREEN LABS MANAGEMENT SERVICES, LLC**

**FINANCIAL STATEMENTS**

**April 30, 2015**

**EMPIRE GREEN LABS MANAGEMENT SERVICES, LLC**

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## INDEPENDENT ACCOUNTANTS REVIEW REPORT

To The Members  
Empire Green Labs Management Services, LLC  
Pleasantville, NY 10570

We have reviewed the accompanying financial statements of Empire Green Labs Management Services, LLC, (a development stage company), comprised of the balance sheet as of April 30 2015, and the related statements of operations and members' equity, and cash flows for the four months then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### Other Matter

The Supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have not audited or reviewed such information and accordingly, we do not express an opinion, a conclusion, nor provide any assurance on it.

A handwritten signature in black ink, appearing to read "Gallo &amp; Associates CPA's P.C.", is written over a horizontal line. The signature is stylized and cursive.

Gallo & Associates CPA's P.C.  
Pleasantville, New York  
May 19, 2015

**EMPIRE GREEN LABS MANAGEMENT SERVICES, LLC**  
**(A Development Stage Company)**  
**BALANCE SHEET**  
**APRIL 30, 2015**

**ASSETS**

**CURRENT ASSETS:**

Cash	\$ 43,109
Total current assets	<u>43,109</u>

**TOTAL ASSETS** **\$ 43,109**

**LIABILITIES AND MEMBERS' EQUITY**

**CURRENT LIABILITIES:**

Accounts payable	\$ 4,862
Total current liabilities	<u>4,862</u>

**TOTAL LIABILITIES** **\$ 4,862**

**MEMBERS' EQUITY:**

Members' paid-in equity	72,200
Net loss	<u>(33,953)</u>
Total Members' equity	<u>38,247</u>

**TOTAL LIABILITIES AND MEMBERS' EQUITY** **\$ 43,109**

See independent accountants' review report and notes to financial statements

**EMPIRE GREEN LABS MANAGEMENT SERVICES, LLC**  
**(A Development Stage Company)**  
**STATEMENT OF OPERATIONS AND MEMBERS EQUITY**  
**FOR THE FOUR MONTHS ENDING APRIL 30, 2015**

<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	
ADVERTISING & PROMOTION	\$ 2,600
BANK SERVICE CHARGES	40
OFFICE SUPPLIES	463
PROFESSIONAL FEES	29,862
TRAVEL EXPENSES	<u>975</u>
<b>LOSS FROM OPERATIONS</b>	<b>\$ 33,940</b>
<b>PROVISION FOR INCOME TAXES</b>	<u>13</u>
<b>NET LOSS</b>	<b>33,953</b>
<b>MEMBERS EQUITY:</b>	
Balance, beginning of year	-
Member contributions	72,200
Distributions	<u>-</u>
Equity, four months ending April 30, 2015	<u><u>\$ 38,247</u></u>

See independent accountants' review report and notes to financial statements

**EMPIRE GREEN LABS MANAGEMENT SERVICES, LLC**  
**(A Development Stage Company)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FOUR MONTHS ENDED APRIL 30, 2015**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net loss		\$ (33,953)
Adjustments to reconcile net income to net cash provided by operating activities:		
Increase (decrease) in:		
Accounts payable	4,862	
Total adjustments		<u>4,862</u>
Net cash used in operating activities		<u>(29,091)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Members additional paid in capital		72,200
Net cash provided by financing activities		<u>72,200</u>

**NET INCREASE IN CASH** 43,109

**CASH:**

Beginning of year		<u>-</u>
Cash balance at April 30, 2015		<u>\$ 43,109</u>

**Supplemental disclosure of cash flow information:**

**Cash paid during the year**

Income taxes		<u>\$ 13</u>
--------------	--	--------------

See independent accountants' review report and notes to financial statements

**EMPIRE GREEN LABS MANAGEMENT SERVICES, LLC**  
**(A Development Stage Company)**  
**NOTES TO FINANCIAL STATEMENTS**  
**(SEE ACCOUNTANTS' REVIEW REPORT)**

**Note 1 – Summary of Significant Accounting Policies**

**Nature of Operations**

Empire Green Labs Management and Services, LLC (“The Company”) is a New York corporation vested in the medical marijuana and industrial hemp markets. The company is comprised of a diversified portfolio of products, services, technology and businesses solely focused on the cannabis and hemp industries.

These products range from cannabinoid-based products, to whole plant or isolated high value extracts specifically manufactured and formulated for the pharmaceutical, nutraceutical and cosmeceutical industries.

The Company’s services are extensive and varied, ranging from medical clinic management to the capitalization and development of existing industry business and product leaders. Services include development of cannabinoid-based health and wellness products, and the development of medical-grade cannabinoid compounds. Finally, Empire Green Labs Management and Services, LLC services include the licensing of its proprietary testing, genetics, labeling and packaging, tracking, production and standardization methods for the medicinal cannabinoid industry.

**Basis of Financial Statement Presentation**

The accompanying financial statements have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

**Cash Equivalents**

Holdings of highly liquid investments with maturities of three months or less when purchased are considered to be cash equivalents.

**Marketable Securities**

Management classifies all investments as available-for-sale. Available-for-sale securities are carried at fair value.

**EMPIRE GREEN LABS MANAGEMENT SERVICES, LLC**  
**(A Development Stage Company)**  
**NOTES TO FINANCIAL STATEMENTS**  
**(SEE ACCOUNTANTS' REVIEW REPORT)**

**Note 1 – Summary of Significant Accounting Policies (cont'd)**

**Inventories**

Inventories will be valued at cost. Inventory will consist of finished goods and raw materials

**Property, Plant, and Equipment**

Property, plant, and equipment will be recorded at cost less depreciation and amortization. Depreciation and amortization are primarily accounted for on the straight-line method based on estimated useful lives. The amortization of leasehold improvements is based on the shorter of the lease term or the life of the improvement. Betterments and large renewal which extend the life of the asset are capitalized whereas maintenance and repairs and small renewals are expensed as incurred.

**Revenue Recognition**

Revenue is recognized in the financial statements (and the customer billed), when materials are shipped from stock or when the vendor bills the Company for the order. Net sales are arrived at by deducting discounts and sales taxes from gross sales.

**Supplementary Information**

A breakdown of consolidating balance sheet by subsidiary has not been included along with consolidating statements of income and cash flow, since the subsidiaries were inactive as of the report date.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**EMPIRE GREEN LABS MANAGEMENT SERVICES, LLC**  
**(A Development Stage Company)**  
**NOTES TO FINANCIAL STATEMENTS**  
**(SEE ACCOUNTANTS' REVIEW REPORT)**

**Note 1 – Summary of Significant Accounting Policies (cont'd)**

**Subsidiaries and Corporate Investments**

Cannabis of America, LLC	100%
--------------------------	------

**Cannabis of America, LLC**

Cannabis of America, LLC was formed to hold the New York State license for the production and distribution of marijuana products. Cannabis of America, LLC is owned 100% by Empire Green Labs Management Services, LLC. It is in the process of submitting an application for approval.

Cannabis of America is responsible for the growth and shipping of product and will engage in the management, capitalization and development of health and wellness facilities, medical clinics and cooperatives throughout New York.

Cannabis of America, LLC will provide a comprehensive array of clinically-supporting health and wellness products and services that will attract patients while providing for a fully operational, profitable enterprise. It seeks to provide facilities and patients alike, with the latest in quality products and support services that will serve the health and wellness community. It has been actively acquiring and developing its services and is in negotiations for several additional facilities in New York as well as looking to further expand throughout the New York area.

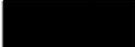
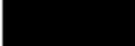
**Note 2 – Inventories**

Inventories will be comprised of hemp-based raw materials and finished good. Inventory is valued at cost.

**EMPIRE GREEN LABS MANAGEMENT SERVICES, LLC**  
**(A Development Stage Company)**  
**NOTES TO FINANCIAL STATEMENTS**  
**(SEE ACCOUNTANTS' REVIEW REPORT)**

**Note 3 – Members' Equity**

At April 30, 2015, the ownership consisted of the following members:

JJSL Medical LLC	80%
Tom Macre Sr.	
Tom Macre Jr.	
Jonathan E. Kaelin	

**Note 4 – Subsequent Events**

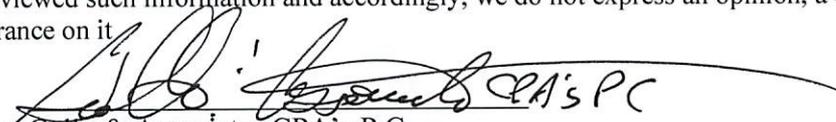
Subsequent to April 30, 2015, the company entered negotiations to secure 20 million dollars in financing to support the efforts to move forward if the license by New York State is acquired. As of the writing of this report, no commitments have been consummated.



June 1, 2015

To The Members  
Empire Green Labs Management Services LLC  
Pleasantville, New York

The Supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have not audited or reviewed such information and accordingly, we do not express an opinion, a conclusion, nor provide any assurance on it

  
Gallo & Associates CPA's P.C.

**Pleasantville, New York**  
May 31, 2015

Empire Green Labs Management Services LLC  
 Supplemental Information  
 Prepared by Management

		<u>Gordon Redman</u>	<u>Harlan Clark</u>	<u>Wire Spray Foam</u>	<u>marQaha</u>	<u>Domato</u>	<u>Matt Cook</u>	<u>Macre</u>	<u>Garry Panico</u>	<u>Medcanna Consulting</u>	<u>Michelle Sexton'</u>	<u>Total</u>	
<b>Post Date</b>	<b>Check</b>												
05/29/2015	Wire	35.00	35.00									35.00	
05/29/2015	Wire	10,000.00		10,000.00								10,000.00	
05/28/2015	Wire	235.65	235.65									235.65	
05/27/2015	Wire	10.00		10.00								10.00	
05/21/2015	93	40.00			40.00							40.00	
05/14/2015	92	3,000.00									3,000.00	3,000.00	
05/14/2015	91	9,000.00						9,000.00				9,000.00	
05/13/2015	Wire	35.00			35.00							35.00	
05/13/2015	Wire	5,000.00			5,000.00							5,000.00	
05/13/2015	Wire	35.00								35.00		35.00	
05/13/2015	Wire	25,000.00								25,000.00		25,000.00	
05/13/2015	Wire	10.00		10.00								10.00	
05/12/2015	Wire	10,000.00	10,000.00									10,000.00	
05/27/2015	Wire	5,800.00				5,800.00						5,800.00	
05/27/2015	Wire	250,000.00					250,000.00					250,000.00	
05/27/2015	Wire	50,000.00						50,000.00				50,000.00	
		368,200.65	10,035.00	235.65	10,020.00	5,075.00	5,800.00	250,000.00	50,000.00	9,000.00	25,035.00	3,000.00	368,200.65

Note: This schedule is a list of consultants paid by infusion of cash by members subsequent to the report date.

See accompanying accountant's report on supplementary information

Sherman Carlton  
President  
National Financial Company  
P.O. Box 18185  
Munds Park, Arizona, 86017

Dear Mr. Carlton;

June 3, 2015

WJL Equities Inc. wishes to offer National Financial Company the opportunity to purchase its' investment grade corporate note.

ISSUANCE DATE: To Be Determined

AMOUNT: \$20,000,000

TERM: 2 years

COUPON RATE: To Be Determined based on the credit quality of the credit wrap.

COUPON PAYMENTS: Interest payments shall be due on the first day of the calendar quarter.

PURPOSE: The funds from the sale of the instrument will be used to establish and operate Cannabis of America, LLC

Thank you for your consideration.

Sincerely,



William Loughheed  
Senior V.P.  
WJL Equities Inc.

Acknowledgement:

National Financial Company



Date: 6/4/14

By:

CARLTON J. SHERMAN JR

its

PRESIDENT

## AGREEMENT

AGREEMENT ("Agreement") made this 5 day of June, 2015 ("Effective Date") by and between Cannabis of America Corp. ("CA") a New York corporation with offices located at 427 Manville Rd., Pleasantville, New York 10570 and WJL Equities Services LLC, maintaining offices at 427 Manville Rd., Pleasantville, New York 10570 ("WJL") (CA and WJL individually and collectively referred to as "Party" or "Parties").

### WITNESSETH:

WHEREAS, based upon their mutual representations and promises, WJL and CA are willing to enter into this Agreement;

NOW THEREFORE, for the valuable consideration set forth in this Agreement and intending to be legally bound, WJL, and the CA mutually promise and agree as follows:

1. WJL shall use good faith efforts to sell an investment grade note ("Note") in the sum of twenty million dollars (\$20,000,000) pursuant to terms that require that all funds generated by said sale shall be provided to CA to be used to establish and operate the business of CA.
2. For ten dollars and other valuable consideration, the sufficiency of which is hereby acknowledged by WJL, WJL shall promptly tender and provide to CA any and all funds generated by the Note without deduction for purpose except the costs charged and received by the financial firm retained to assist in the sale of the Note.
3. Miscellaneous
  - (a) The execution, delivery and performance of this Agreement will not conflict with or constitute default under agreement or contract.
  - (b) The rights granted herein shall be cumulative and action on one shall not be deemed to constitute an election or waiver of any other right to which a Party hereto may be entitled. Each Party hereby waives trial by jury in any action or proceeding arising hereunder.
  - (c) The Parties may not assign this Agreement without the prior written consent of all Parties.
  - (d) Any notice, request, information or other document to be given hereunder to one of the Parties by the other Party shall be in writing and shall be given by hand delivery, certified or



any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (i) no claim or right arising out of this letter agreement can be discharged by one Party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other Party; (ii) no waiver that may be given by a Party will be applicable except in the specific instance for which it is given; and (iii) no notice to or demand on one Party will be deemed to be a waiver of any obligation of such Party or of the right of the Party giving such notice or demand to take further action without notice or demand as provided in this letter agreement.

(g) **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

(h) **Jurisdiction; Venue.** The Parties agree that any disputes arising out of or related in any way to this Agreement, including a breach of this Agreement, shall be filed in the state or federal courts in New York County, New York. The Parties consent and agree to the jurisdiction of the New York courts. Neither Party will argue or contend that it is not subject to the jurisdiction of the New York courts or that venue in New York County, New York, is improper.

(i) **Waiver of Jury Trial.** By execution and delivery of this Agreement, each of the Parties knowingly, voluntarily and irrevocably: (i) waives any right to trial by jury; (ii) agrees that any dispute arising out of this Agreement shall be decided by court trial without a jury; and (iii) agrees that any Party to this Agreement may file an original counterpart with any court as written evidence of the consents, waivers and agreements of the Parties set forth herein.

(j) **Attorneys' Fees.** If any legal action or any other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the prevailing Party or Parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

(k) **Counterparts and Facsimile.** This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument. Facsimile transmission of any signed original document and/or retransmission of any signed facsimile transmission will be deemed the same as delivery of an original. At the request of any Party, the Parties will confirm facsimile transmission by signing a duplicate original document.

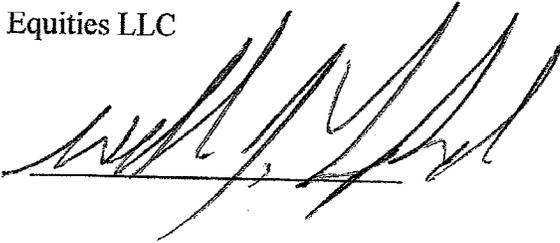
(l) **Entire Agreement.** This Agreement (including the schedules and exhibits hereto), and the documents delivered pursuant hereto, constitute the entire agreement and understanding between the Parties and supersede any prior agreement and understanding relating to the subject

matter of this Agreement. This Agreement may be modified or amended only by a written instrument executed by both the CA and WJL.

IN WITNESS WHEREOF, the Parties have executed this Agreement on June 5, 2015.

[SIGNATURE PAGE TO FOLLOW]

WJL Equities LLC

By: 

Cannabis of America Corp.

By: 



**ATTACHMENT J**

## **1. INTRODUCTION**

Cultivation, production and dispensary facilities in newly approved medical marijuana markets must hire staff based on a number of unknown factors (including the number of registered patients in need of medical marijuana products and the rate of new patient registrations) and provide intensive training to locally hired employees that are unlikely to have direct experience in medical marijuana industry related fields.

Cannabis of America, LLC (“COA”) will be the licensed entity and control the operations and staffing practices of the dispensaries (d/b/a EGL Compassionate Care Centers) and the manufacturing facility (d/b/a Empire Green Labs).

COA will mitigate the risks of over or under calculating workforce requirements in the dispensaries by carefully and continually analyzing available information (such as historical utilization patterns from medical marijuana dispensaries in other states, charting emerging utilization patterns for each dispensary, and the weekly rate of patient registrations) and implementing procedures that are aimed at smoothing patient processing (such as appointment scheduling, cross-training staff, hiring flexible part-time employees and telephone pre-ordering).

The manufacturing facility is broken down into three profit and loss centers: the cultivation operation, the production operation and general services (including: management, the testing lab, security, bookkeeping and IT). Staffing requirements for each P&L center within the manufacturing facility are unique, but the cultivation and production centers face similar challenges to prevent over or under calculating workforce needs. Initial staffing requirements in cultivation and production must be based on projections for the rate of patient registrations as well as anticipated practitioner preference by brand, form and delivery method. Ongoing staffing level requirements and future workforce projections include analyses of data pertinent to: cultivation and drying times by strain; resin production by strain; extraction volume by strain (broken down by total THC and CBD); consistency and quality testing results; emerging or changing purchasing patterns by brand, form and method of delivery; practitioner and patient feedback; and the ability to automate specific, manually intensive, processes.

### **1.1 Purpose**

This document describes the Staffing Plan for Cannabis of America’s four profit and loss centers: cultivation, production, dispensing and general services. The purpose of this Staffing Plan is to capture ‘how’ each center’s manager will manage their staff resources and provide each manager with the tools to ensure each operation is sufficiently staffed by individuals possessing the correct skill sets and experience to maintain continuing smooth and successful operations.

### **1.2 Scope**

This Staffing Plan identifies the processes and procedures used to manage staff throughout the operations of the operating centers and oversight staff. The plan describes the planning and

acquisition of both staff employees and consulting staff, describes the responsibilities assigned to each staff member, and discusses transition of staff to other assignments.

### **1.3 Document Maintenance**

This document will be reviewed annually and updated as needed. Lessons learned as a result of continuing staff management efforts will be captured at the end of each staffing plan review phase and used to improve company standards.

This document contains a revision history log. When changes occur, the version number will be updated to the next increment and the date, owner making the change, and change description will be recorded in the revision history log of the document.

A training log will be maintained in each employee's personnel file and kept with the file for a minimum of five (5) years after termination of employment (regardless of whether the termination was voluntary or involuntary).

## **2. HOURS OF OPERATION and DAILY SHIFTS**

Operating hours and daily shifts are dependent upon facility type. The manufacturing facility will operate seven days a week. Shifts within the manufacturing facility are dependent upon both operating center and volume. All dispensaries will start with the same hours of operations. As

data is gathered from patients, each facility manager (with general manager approval) may adjust operating hours to accommodate patient preferences specific to their service areas.

**2.1 Manufacturing Facility:**

**Initial Hours of Operation:**

	<u>Open</u>	<u>Total Daily Hours</u>
Sunday thru Saturday:	7:30 AM 7:30 PM	12:00

**Note:** Compliance officer and bookkeeper may be required to work random weekend hours

**Initial Daily Shifts:**

	<u>Shift 1</u>		<u>Shift Hours</u>		
Cultivation	7:30 AM	11:30 AM	4		
Security (on-site)	7:30 AM	11:30 AM	4		
Production	8:00 AM	12:30 PM	4 ½		
Testing Lab	8:00 AM	12:30 PM	4 ½		
All Others P/T	8:00 AM	12:00 PM	4		
All Others F/T	8:00 AM	4:00 PM	8		
	<u>Shift 2</u>		<u>Shift Hours</u>		
Cultivation	11:30 AM	3:30 PM	4		
Security (on-site)	11:30 AM	3:30 PM	4		
Production	12:30 PM	5:00 PM	4 ½		
Testing Lab	12:30 PM	5:00 PM	4 ½		
All Others P/T	12:00 PM	4:00 PM	4		
All Others F/T	N/A	N/A			
	<u>Shift 3</u>		<u>Shift Hours</u>	<u>Total Shift Hours</u>	
Cultivation	3:30 PM	7:30 PM	4	84	28
Security (on-site)	3:30 PM	7:30 PM	4	84	28
Production	N/A	N/A		45	22 ½
Testing Lab	N/A	N/A		45	22 ½
All Others P/T	N/A	N/A		40	20
All Others F/T	N/A	N/A		40	40

**2.1 Dispensaries:**

**Initial Hours of Operations:**

	<u>Hours</u>	<u>Opening (Minutes)</u>	<u>Closing (Minutes)</u>	<u>Daily Hours</u>
Monday thru Thursday:	12:00 pm to 7:00 pm	30	30	8

Friday:	11:00 am to 8:00 pm	30	30	10
Saturday:	11:00 am to 7:00 pm	30	30	9
Sunday:	11:00 am to 5:30 pm	30	30	7 ½
				Total: 58 ½

**Note:** Compliance officer and bookkeeper may be required to work random weekend ho

**Initial Daily Shifts:**

	<b>Shift 1</b>		<b>Shift Hours</b>	<b>Shift 2</b>		<b>Shift Hours</b>
Monday thru Thursday:	11:30 AM	3:30 PM	4	3:30 PM	7:30 PM	4
Friday:	10:30 AM	3:30 PM	5	3:30 PM	8:30 PM	5
Saturday:	10:30 AM	3:00 PM	4 ½	3:00 PM	7:30 PM	4 ½
Sunday:	10:30 AM	2:30 PM	4	2:30 PM	6:00 PM	4

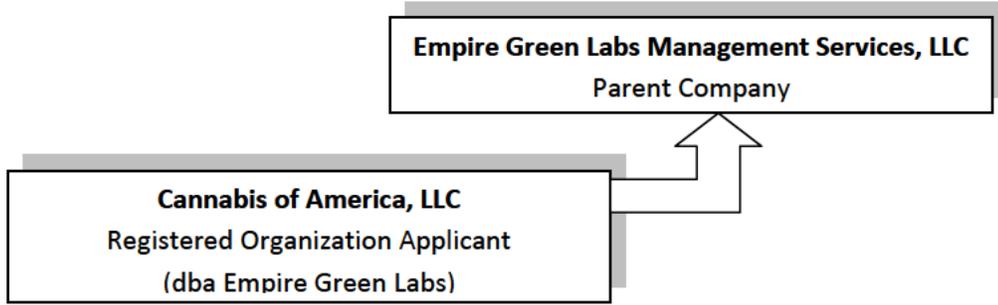
**Note:** Pharmacists switch off every other weekend. Alternate option for Sundays is to have one shift.

**3. ORGANIZATION CHART**

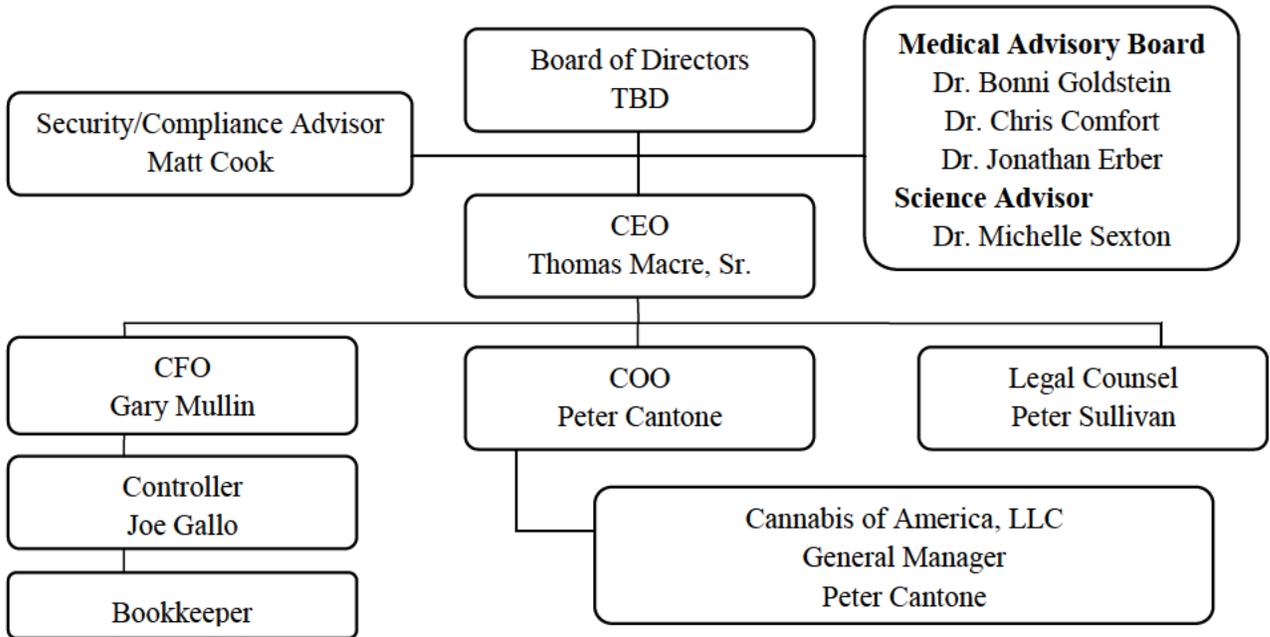
The organization charts contained in this section provide clarity on managerial authority and the official reporting relationships that govern the workflow of Cannabis of America. Charting the organizational structure improves operational efficiency and allows the company to create solid employee advancement tracks for entry-level workers as well as determine future management needs.

**Cannabis of America and Empire Green Labs Management Services**

Cannabis of America, LLC is a wholly owned subsidiary of Empire Green Labs Management Services.



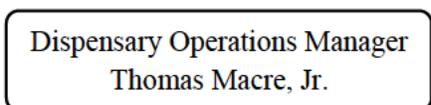
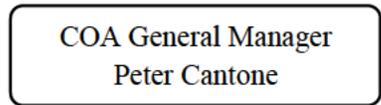
**Parent Company: Empire Green Labs Management Services, LLC  
Organization Chart**

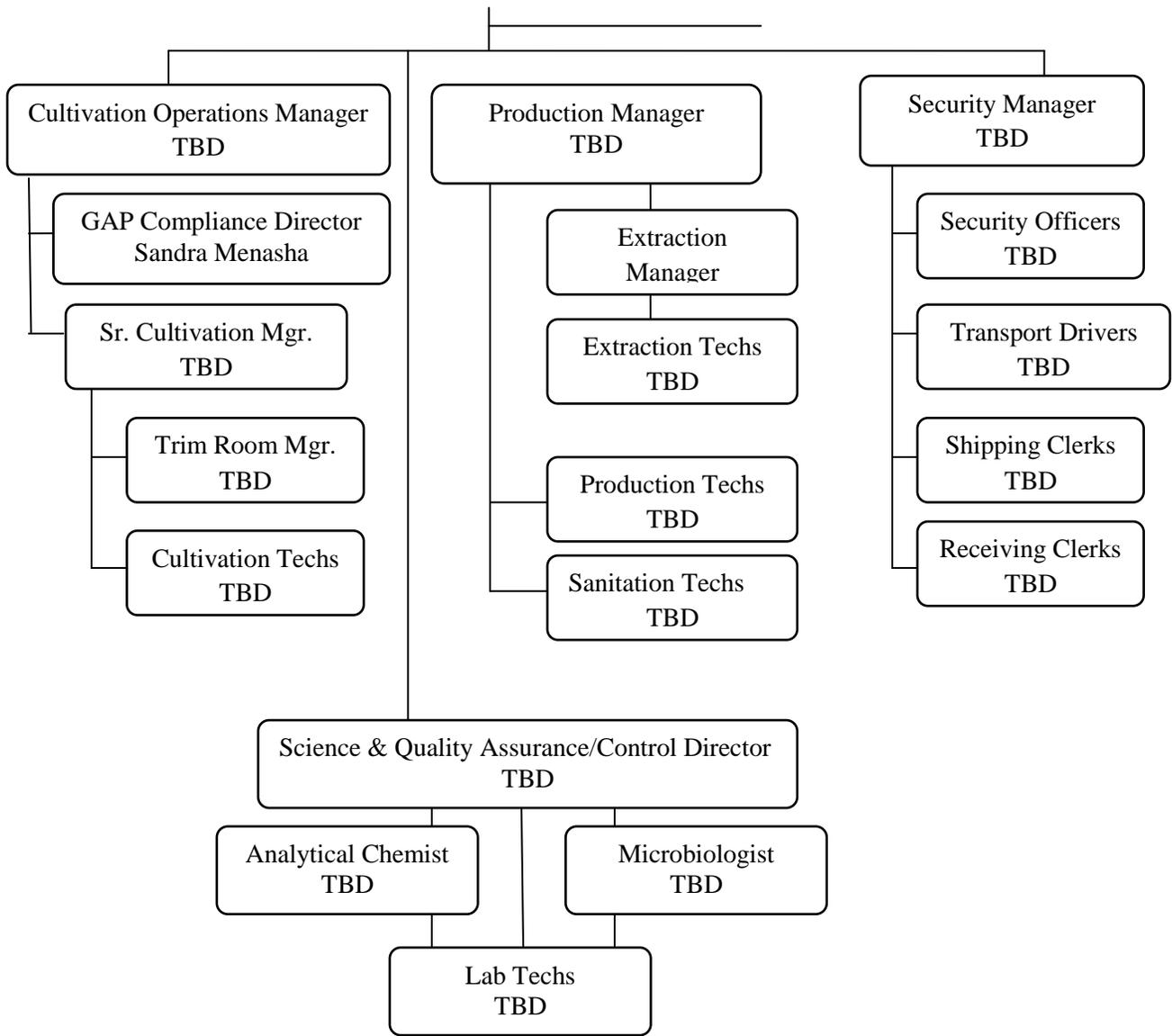


**Cannabis of America, LLC (“COA”)**

**(Company seeking licensure—d/b/a Empire Green Labs)**

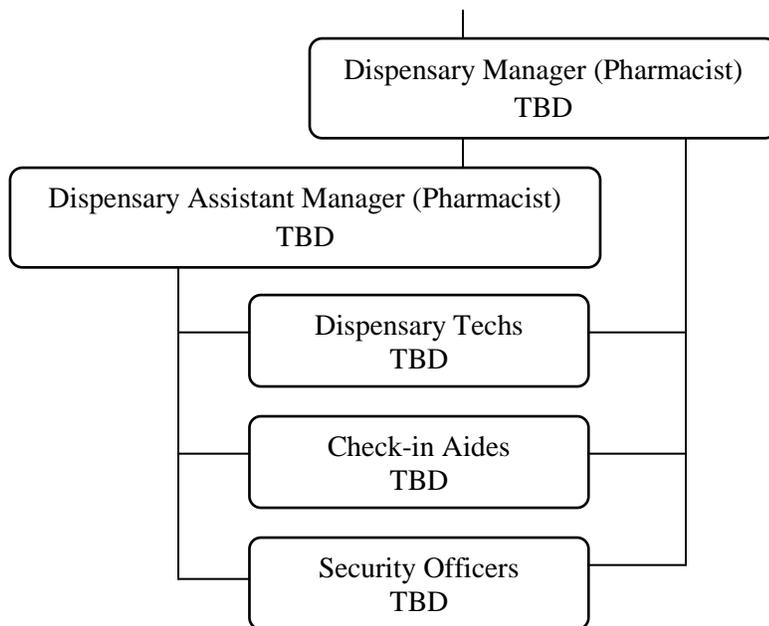
**Management and Manufacturing Facility**





**Cannabis of America, LLC**  
**Dispensary Operations**  
**(Representative of the Organization of each Dispensary)**

Dispensary Operations Manager  
 Thomas Macre, Jr.



Each of the four dispensaries has the same organizational chart--the number of staff, however, may vary based on the number of patients and caretakers registered at each dispensary. The Dispensary Operations Manager oversees all four (4) dispensary facilities and reports directly to the General Manager of Cannabis of America.

### 3.4 Organizational Structure Overview

Cannabis of America’s (“COA”) is structured as a functional-hierarchic organization or, as it is more commonly call, a Matrix structure. The Matrix structure gives COA operational flexibility in that the actual expertise in cultivation, production, and dispensing are given wide latitude and authority to operate without disrupting the linear and strict chain of command of the organization.

The functional units will be managed by leaders who have in-depth knowledge and experience and the leadership ability to run their unit very effectively, thereby harvesting the potential of the unit without duplication of scarce resources, maximizing their utilization. The dedicated functional centers will focus on their highly specialized functions and the chain of command will oversee administration including security and the communication and cooperation among the functional centers and inter- and intra- office efficiency. Management of both Cannabis of America and Empire Green Labs Management Services serve to fill in the gaps among and within offices and functional units.































































































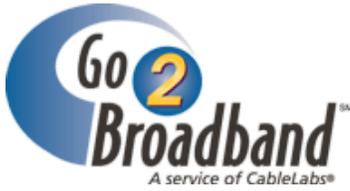


**ATTACHMENT K**

## **ATTACHMENT K**

The following documents are included in Attachment K:

1. Verification of internet connectivity for the following locations:
  - a. Manufacturing Facility: 42 Windsor Place, Central Islip, NY
  - b. Dispensary 1: 100 Garden City Plaza, Suite 101, Garden City, NY
  - c. Dispensary 2: 129 Court Street, White Plains, NY
  - d. Dispensary 3: 20 South Avenue, Poughkeepsie, NY
  - e. Dispensary 4: 824 Loudon Road, Latham, NY

[Start Over](#)

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Find Your Cable Company	Choose Your Services	Customize Your Services	Account & Payment Information	Place Your Order	Schedule Install & Confirm Order

**optimum.** Cablevision services your address at 42 Windsor Pl, Central Islip, NY 11722-3302 US.

## Bundles

**The Optimum Triple Play**  
\$92.75 per month (\$39.95 one time)

[Add To Cart](#)  
[Detail](#)

\$84.95/month guaranteed for two years.

250+ digital channels including 79+ HD channels 1,000,000+ WiFi Hotspots

## High Speed

**Optimum Online**  
\$44.90 per month (\$24.95 one time)

[Add To Cart](#)  
[Detail](#)

Get Optimum Online for only \$39.95/month for your first year! Thanks to download speeds of up to 15 Mbps you can enjoy the best stuff on the internet - video, music, photos, and your favorite websites - without waiting. And all Optimum Online customers get fast, unlimited internet access in over 1,000,000 Optimum hotspots. Free WiFi is always better than expensive cellular data charges on your phone or tablet.

Up to 15 Mbps down/5 Mbps up.  
Optimum delivers the best Netflix.  
Free, unlimited mobile Internet access at 1,000,000 WiFi hotspots.

## Digital Cable

**Optimum TV**  
\$72.75 per month (\$34.94 one time)

[Add To Cart](#)  
[Detail](#)

Get more than 295 channels - including Encore premium channels - for \$64.95 per month for one year. More shows, more movies, more sports, more more.

Over 295 HD channels in the Optimum Preferred package! Add Multi-Room DVR for only \$12.95 more per month.

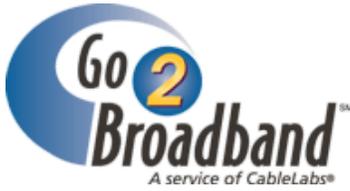
## Digital Phone

**Optimum Voice**  
\$39.90 per month (\$34.95 one time)

[Add To Cart](#)  
[Detail](#)

Introducing a voice of reason in the world of complicated phone bills. Optimum Voice, exclusive to Optimum Online customers, gives you unlimited local and long distance calling anytime, to anywhere in the United States, Puerto Rico, Canada and the U.S. Virgin Islands for one low, flat monthly rate.

Shopping Cart	
<b>One Time Fees</b>	
<b>Total</b>	0.00
<b>Monthly Fees</b>	
<b>Total</b>	0.00
<input type="button" value="Continue"/>	

[Start Over](#)

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Find Your Cable Company	Choose Your Services	Customize Your Services	Account & Payment Information	Place Your Order	Schedule Install & Confirm Order

**optimum.** Cablevision services your address at 100 Garden City PLZ, Garden City, NY 11530- US.

## Bundles

**The Optimum Triple Play**  
\$92.75 per month (\$39.95 one time)

[Add To Cart](#)  
[Detail](#)

\$84.95/month guaranteed for two years.

250+ digital channels including 79+ HD channels 1,000,000+ WiFi Hotspots

## High Speed

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[Detail](#)

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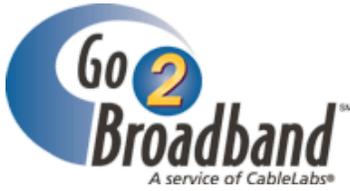
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[Detail](#)

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Shopping Cart	
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<b>Total</b>	0.00
<b>Monthly Fees</b>	
<b>Total</b>	0.00
<input type="button" value="Continue"/>	

[Start Over](#)

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Find Your Cable Company	Choose Your Services	Customize Your Services	Account & Payment Information	Place Your Order	Schedule Install & Confirm Order

**optimum.** Cablevision services your address at 129 Court St, White Plains, NY 10601-4801 US.

## Bundles

**The Optimum Triple Play**  
\$92.75 per month (\$39.95 one time)

[Add To Cart](#)  
[Detail](#)

\$84.95/month guaranteed for two years.

250+ digital channels including 79+ HD channels 1,000,000+ WiFi Hotspots

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[Detail](#)

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[Detail](#)

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Shopping Cart	
<b>One Time Fees</b>	
<b>Total</b>	0.00
<b>Monthly Fees</b>	
<b>Total</b>	0.00
<input type="button" value="Continue"/>	

[Start Over](#)

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Find Your Cable Company	Choose Your Services	Customize Your Services	Account & Payment Information	Place Your Order	Schedule Install & Confirm Order

**optimum.** Cablevision services your address at 20 Cannon ST,, 12601- US.

## Bundles

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[Add To Cart](#)  
[Detail](#)

\$84.95/month guaranteed for two years.

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[Detail](#)

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[Add To Cart](#)  
[Detail](#)

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[Add To Cart](#)  
[Detail](#)

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Shopping Cart	
<b>One Time Fees</b>	
<b>Total</b>	0.00
<b>Monthly Fees</b>	
<b>Total</b>	0.00
<input type="button" value="Continue"/>	

# Great News, You qualify for FiOS!

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Make it a Verizon FiOS Solutions bundle by adding FiOS Internet and phone service together and save!

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[Order Now](#)

[Continue Shopping](#)

## ONE TIME PAYMENT

Want to pay your bill without signing in?

[Make a one-time payment for a \\$3.50 charge](#)



## WHO RATED US HIGHEST IN CUSTOMER SATISFACTION? OUR CUSTOMERS.

J.D. Power ranked Verizon "HIGHEST IN CUSTOMER SATISFACTION WITH VERY SMALL BUSINESS WIRELINE SERVICE".

Our 99.9% network reliability, superior customer service and unrivaled FiOS speeds make you Small Business Ready.

### Services

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- [Phone](#)
- [High Speed Internet](#)
- [FiOS Internet](#)
- [FiOS TV](#)
- [DIRECTV](#)
- [Applications](#)
- [Special Offers](#)
- [Set Up New Service](#)
- [Customer Testimonials](#)
- [Add/Change Existing Services](#)

### My Business Account

- [Check Email](#)
- [Pay My Bill](#)
- [Get My Small Biz Rewards](#)
- [Browse Discount Program](#)
- [Learn More](#)

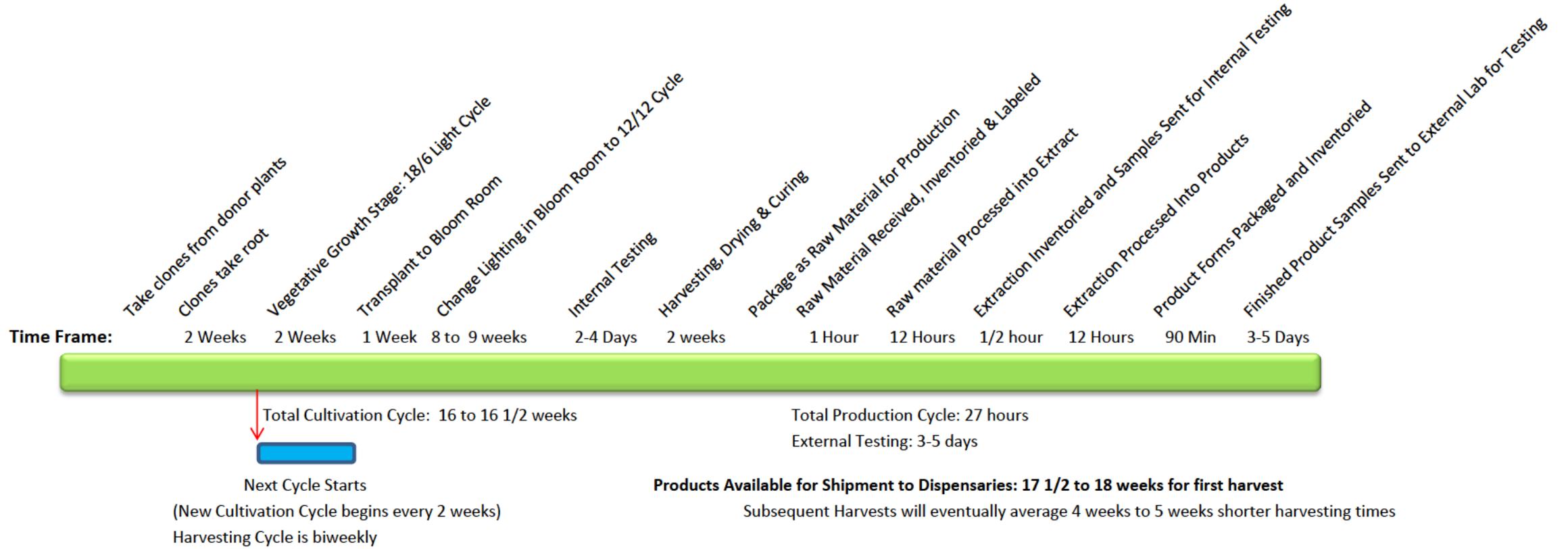
### Other Verizon Sites

- [Verizon Wireless for Business](#)
- [Medium Business](#)
- [Enterprise and Government](#)
- [Residential Services](#)
- [Verizon Wireless](#)
- [Verizon National Sales Partner](#)



**ATTACHMENT L**

**MANUFACTURING TIMELINE--CULTIVATION THRU FINISHED PRODUCT TESTING**



**ATTACHMENT L:**



**ATTACHMENT M**

ATTACHMENT M

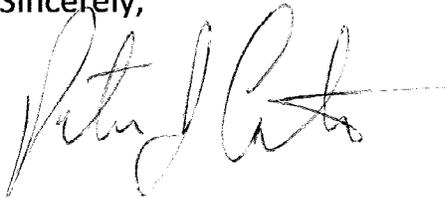
June 5, 2015

To the NY Department of Health,

Cannabis of America LLC, this applicant, is able to comply with all applicable state and local laws and regulations relating to the activities in which it intends to engage under the registration, pursuant to 10 NYCRR § 1004.5(b)(8).

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter J. Cantone", with a horizontal line extending from the end of the signature.

Peter J. Cantone  
Chief Operating Officer

**Richard J. Domato**  
**Land Surveyor**  
Chase Bank Building  
22 W. First Street- Room 401  
Mt. Vernon, New York, 10550  
(914) 656-0926

April 25, 2015

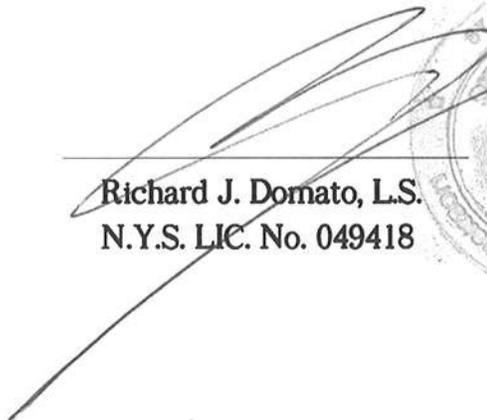
Ms. Jen Brunenkant

Survey Report for proposed Cultivation Facility  
42 Windsor Place,  
Central Islip, New York, 11722

Ms. Brunenkant,

Our office has performed a Field Inspection and Site Survey to determine if the proposed cultivation facility will be located on the same street or avenue within one thousand feet of a building occupied exclusively as a school, church, synagogue or other place of worship.

We have determined by these means, that there are no buildings occupied exclusively as a school, church, synagogue or other place of worship on the same street or avenue within one thousand feet of the proposed cultivation facility to be located at 42 Windsor Place, Central Islip, N. Y., 11722.

  
Richard J. Domato, L.S.  
N.Y.S. LIC. No. 049418



Site Survey and Field Inspection of Tax Lots: 75.3, 76.6, 76.11, 76.13, 76.9, 76.10, 79, 84.1, 80.7, 81.8, 81.5, 81.3 and 82 in Block 2, Sect. 100; Tax Lots: 17.4, 28, 29, 30, 32.1, 56 and 59.7 in Block 1, Sect. 101; and Tax Lots: 40.2 and 56 in Block 3, Sect. 122 being properties along Windsor Place within 1,000 feet of Tax Lot 84.1 in Block 2, Sect. 100 as shown on the Official Tax Assessment Map for the Town of Islip, Situate in The Town of Islip Suffolk County, New York

**RICHARD J. DOMATO**  
LAND SURVEYOR  
Chase Bank Building  
22W. First Street-Room 401  
Mt. Vernon, N.Y. 10550  
(914)656-0926

Date: April 22, 2015

Scale : N.T.S.



**NOTES:**

- 1. A Field Inspection and Site Survey was performed to determine if the proposed cultivation facility was on the same street or avenue within one thousand feet of a building occupied exclusively as a school, church, synagogue or other place of worship and none were found to fall within those bounds.

In accordance with the minimum standards for Title Surveys of The N.Y.S. Land Title Assn. "SURVEYED AS IN POSSESSION"

**Richard J. Domato**  
**Land Surveyor**  
Chase Bank Building  
22 W. First Street- Room 401  
Mt. Vernon, New York, 10550  
(914) 656-0926

**May 15, 2015**

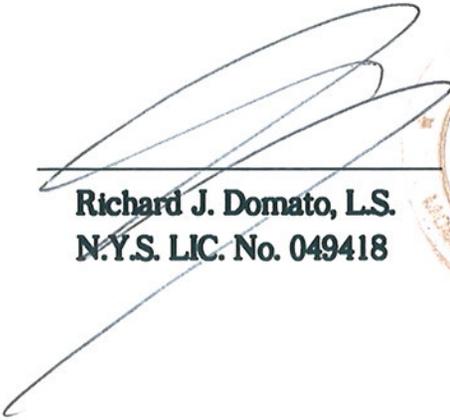
**Ms. Jen Brunenkant**

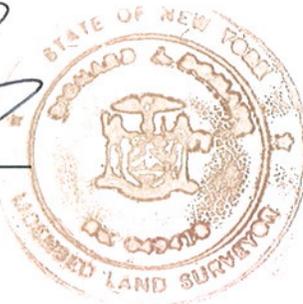
**Survey Report for proposed Dispensary**  
100 Garden City Plaza,  
Garden City, New York, 11530

**Ms. Brunenkant,**

**Our office has performed a Field Inspection and Site Survey to determine if the proposed dispensary will be located on the same street or avenue within one thousand feet of a building occupied exclusively as a school, church, synagogue or other place of worship.**

**We have determined by these means, that there are no buildings occupied exclusively as a school, church, synagogue or other place of worship on the same street or avenue within one thousand feet of the proposed dispensary to be located at 100 Garden City Plaza, Garden City, New York, 11530.**

  
**Richard J. Domato, L.S.**  
**N.Y.S. LIC. No. 049418**



Site Survey and Field Inspection of Tax Lots:  
8D, 10A, 10B, 11A, 11B, 12A, 12B, 13A, 13B, 14, 15,  
16A, 16B, 21, 22, 24, 30, 31, 57 & 68  
being properties along Ring Road West,  
Garden City Plaza, within 1,000 feet of  
Tax Lot 12A, in Block 77, Sect. 44 as shown on the  
Official Tax Assessment Map for the Town of Hempstead,  
Situate in the Village of Garden City, Town of Hempstead,  
Nassau County, New York

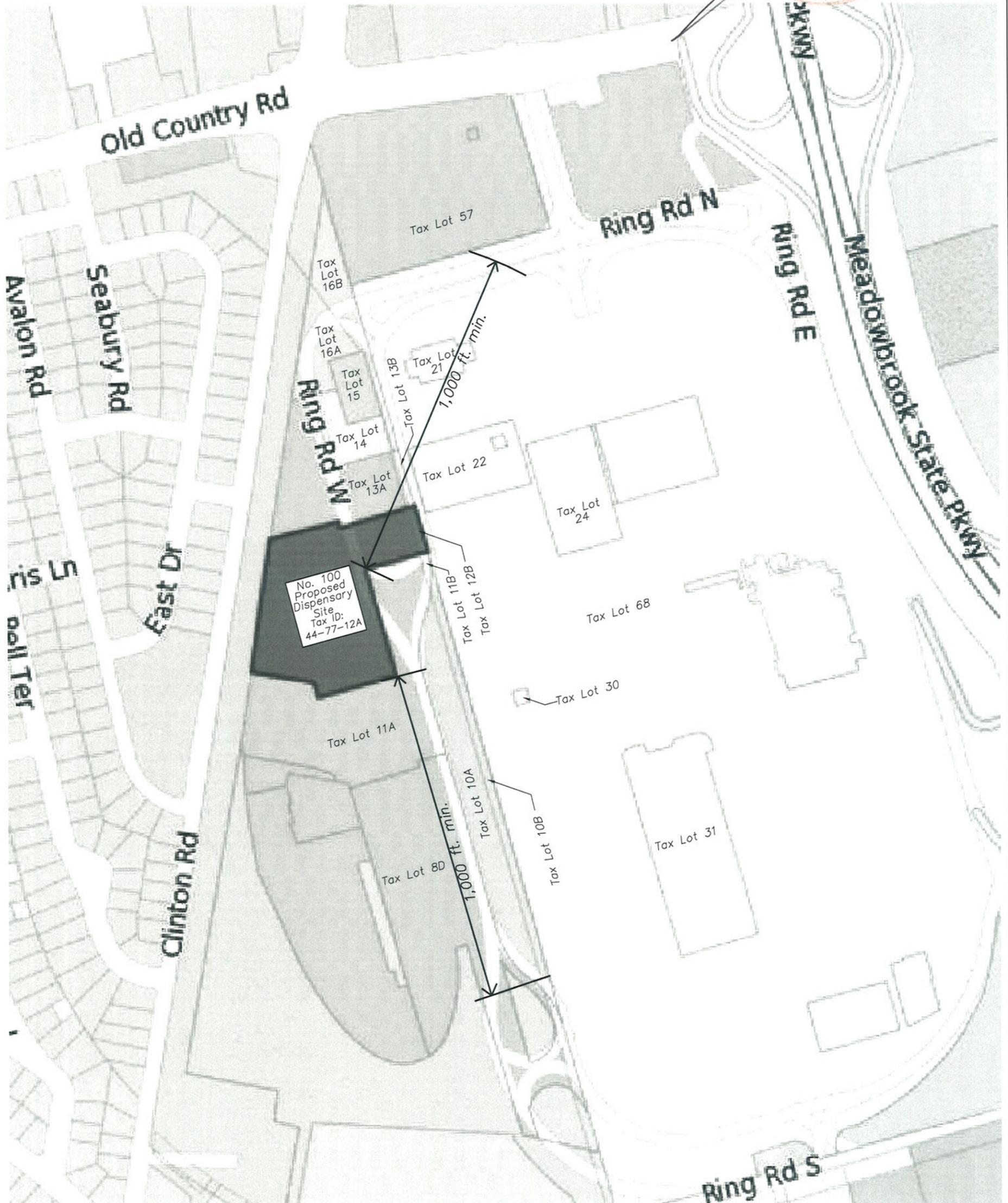
**RICHARD J. DOMATO**  
LAND SURVEYOR  
Chase Bank Building  
22W. First Street-Room 401  
Mt. Vernon, N.Y. 10550  
(914)656-0926

Date: May 10, 2015

Scale: N.T.S.



N.Y.S.LIC. No.049418



In accordance with the minimum standards for Title Surveys of The N.Y.S. Land Title Assn.

NOTE: A Field Inspection and Site Survey was performed to determine if the proposed dispensary will be located on the same street or avenue within one thousand feet of a building occupied exclusively as a school, church, synagogue or other place of worship and none were found to fall within those bounds.

"SURVEYED AS IN POSSESSION"

**Richard J. Domato**  
**Land Surveyor**  
Chase Bank Building  
22 W. First Street- Room 401  
Mt. Vernon, New York, 10550  
(914) 656-0926

**April 25, 2015**

**Ms. Jen Brunenkant**

**Survey Report for proposed Dispensary**  
129 Court Street,  
White Plains, New York, 10601

**Ms. Brunenkant,**

**Our office has performed a Field Inspection and Site Survey to determine if the proposed dispensary will be located on the same street or avenue within one thousand feet of a building occupied exclusively as a school, church, synagogue or other place of worship.**

**We have determined by these means, that there are no buildings occupied exclusively as a school, church, synagogue or other place of worship on the same street or avenue within one thousand feet of the proposed dispensary to be located at 129 Court Street, White Plains, New York, 10601.**

**Richard J. Domato, L.S.**  
**N.Y.S. LIC. No. 049418**



Site Survey and Field Inspection of Tax Lots:  
1, 8 & 9 in Block 1, Sect. 125.84; Tax Lots:  
2, 3, 4, 5, 6, 7, 8 & 11 in Block 4, Sect. 125.83;  
Tax Lots: 2 & 3 in Block 6, Sect. 125.75; Tax Lots:  
6 & 7 in Block 3, Sect. 125.75; Tax Lots: 1, 4 & 5 in  
Block 7, Sect. 125.75; Tax Lot 4 in Block 4, Sect. 125.75  
and Tax Lot 1 in Block 4, Sect. 125.76  
being properties along Court Street within 1,000 feet of  
Tax Lot 9, in Block 1, Sect. 125.84 as shown on the  
Official Tax Assessment Map for the City of White Plains,  
Situating in the City of White Plains,  
Westchester County, New York

**RICHARD J. DOMATO**  
LAND SURVEYOR  
Chase Bank Building  
22W. First Street-Room 401  
Mt. Vernon, N.Y. 10550  
(914)656-0926



N.Y.S.LIC. No.049418



Date: April 22, 2015

Scale: N.T.S.



**NOTES:**

1. A Field Inspection and Site Survey was performed to determine if the proposed dispensary will be located on the same street or avenue within one thousand feet of a building occupied exclusively as a school, church, synagogue or other place of worship and none were found to fall within those bounds.
2. In a southerly direction Court Street terminates at East Post Road less than one thousand feet.

In accordance with the minimum standards for Title Surveys of The N.Y.S. Land Title Assn.

"SURVEYED AS IN POSSESSION"

**Richard J. Domato**  
**Land Surveyor**  
Chase Bank Building  
22 W. First Street- Room 401  
Mt. Vernon, New York, 10550  
(914) 656-0926

**May 19, 2015**

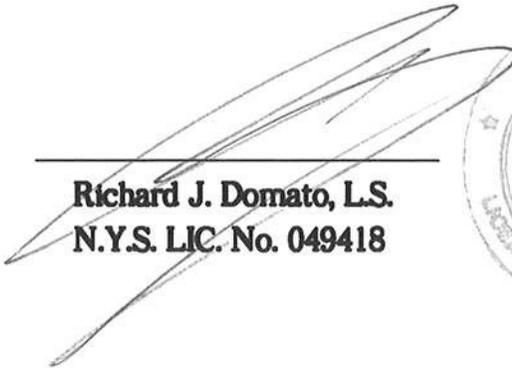
**Ms. Jen Brunenkant**

**Survey Report for proposed Dispensary**  
248 South Avenue,  
Poughkeepsie, New York, 12601

**Ms. Brunenkant,**

**Our office has performed a Field Inspection and Site Survey to determine if the proposed dispensary will be located on the same street or avenue within one thousand feet of a building occupied exclusively as a school, church, synagogue or other place of worship.**

**We have determined by these means, that there are no buildings occupied exclusively as a school, church, synagogue or other place of worship on the same street or avenue within one thousand feet of the proposed dispensary to be located at 248 South Avenue, Poughkeepsie, New York, 12601.**

  
Richard J. Domato, L.S.  
N.Y.S. LIC. No. 049418



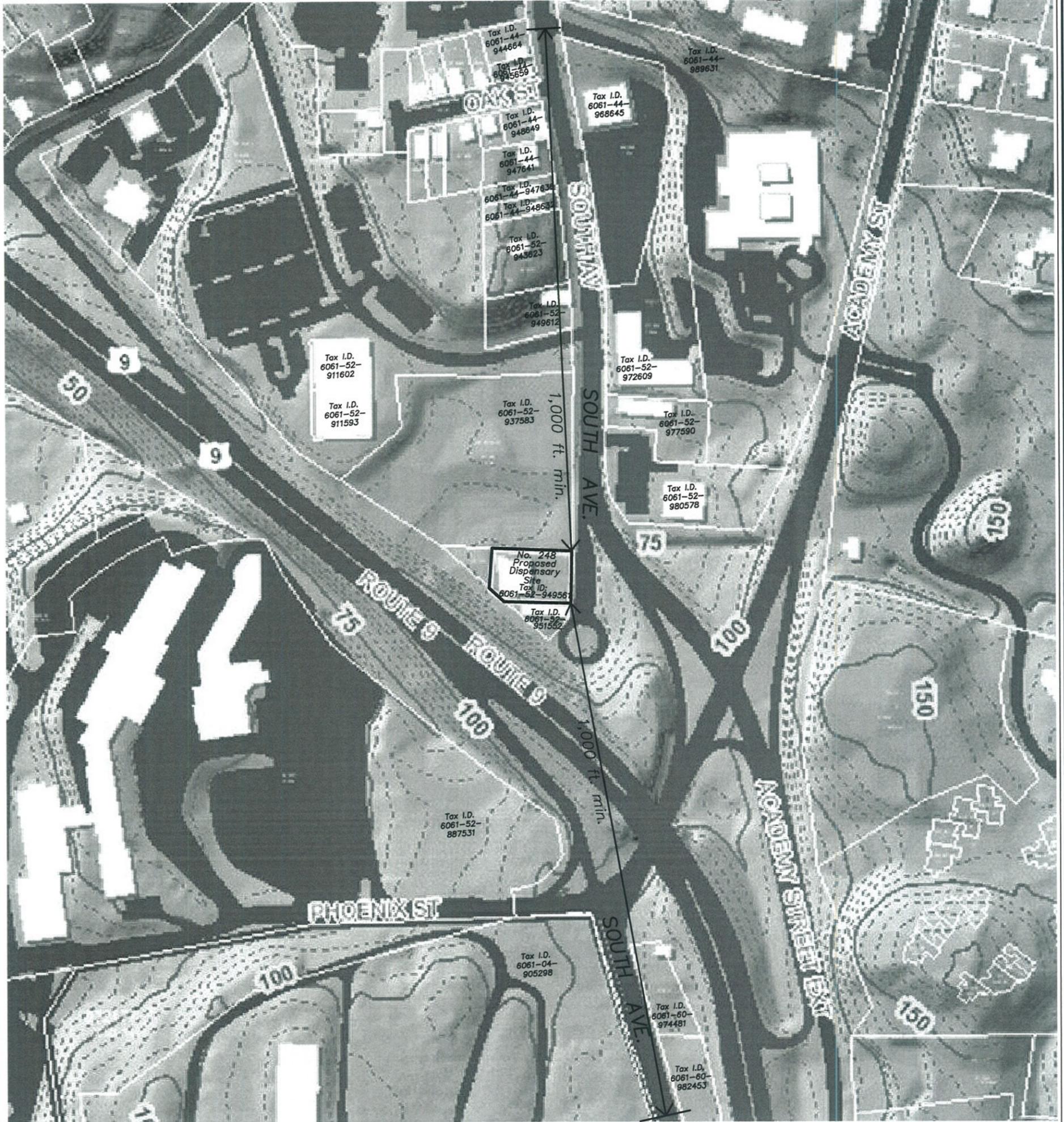
Site Survey and Field Inspection of Tax Lots: 887531, 951552, 949561, 937583, 911593, 911602, 949612, 943623, 972609, 977590 & 980578 in Block 52, Sect. 6061; Tax Lots: 948632, 947636, 947641, 948649, 945659, 944664, 989631 & 968645 in Block 44, Sect. 6061; Tax Lots: 974481 & 982453 in Block 60, Sect. 6061 being properties along South Avenue within 1,000 feet of Tax Lot 949561, in Block 52, Sect. 6061 as shown on the Official Tax Assessment Map for the City of Poughkeepsie, Situate in the City of Poughkeepsie, Dutchess County, New York and Tax Lot 905298 in Block 04, Sect. 6061 being a property along South Ave. within 1,000 feet of Tax Lot 949561 in Block 52, Sect. 6061 as shown on the Official Tax Assessment Map for the Town of Poughkeepsie, Situate in the Town of Poughkeepsie, Dutchess County, New York

**RICHARD J. DOMATO**  
LAND SURVEYOR  
Chase Bank Building  
22W. First Street-Room 401  
Mt. Vernon, N.Y. 10550  
(914)656-0926



Date: May 18, 2015

Scale: N.T.S.



**NOTES:**

- 1. A Field Inspection and Site Survey was performed to determine if the proposed dispensary will be located on the same street or avenue within one thousand feet of a building occupied exclusively as a school, church, synagogue or other place of worship and none were found to fall within those bounds.

In accordance with the minimum standards for Title Surveys of The N.Y.S. Land Title Assn.

"SURVEYED AS IN POSSESSION"

**Richard J. Domato**  
**Land Surveyor**  
Chase Bank Building  
22 W. First Street- Room 401  
Mt. Vernon, New York, 10550  
(914) 656-0926

**May 15, 2015**

**Ms. Jen Brunenkant**

**Survey Report for proposed Dispensary**  
**824 Loudon Road,**  
**Latham, New York, 12110**

**Ms. Brunenkant,**

**Our office has performed a Field Inspection and Site Survey to determine if the proposed dispensary will be located on the same street or avenue within one thousand feet of a building occupied exclusively as a school, church, synagogue or other place of worship.**

**We have determined by these means, that there are no buildings occupied exclusively as a school, church, synagogue or other place of worship on the same street or avenue within one thousand feet of the proposed dispensary to be located at 824 Loudon Road, Latham, New York, 12110.**

  
Richard J. Domato, L.S.  
N.Y.S. LIC. No. 049418

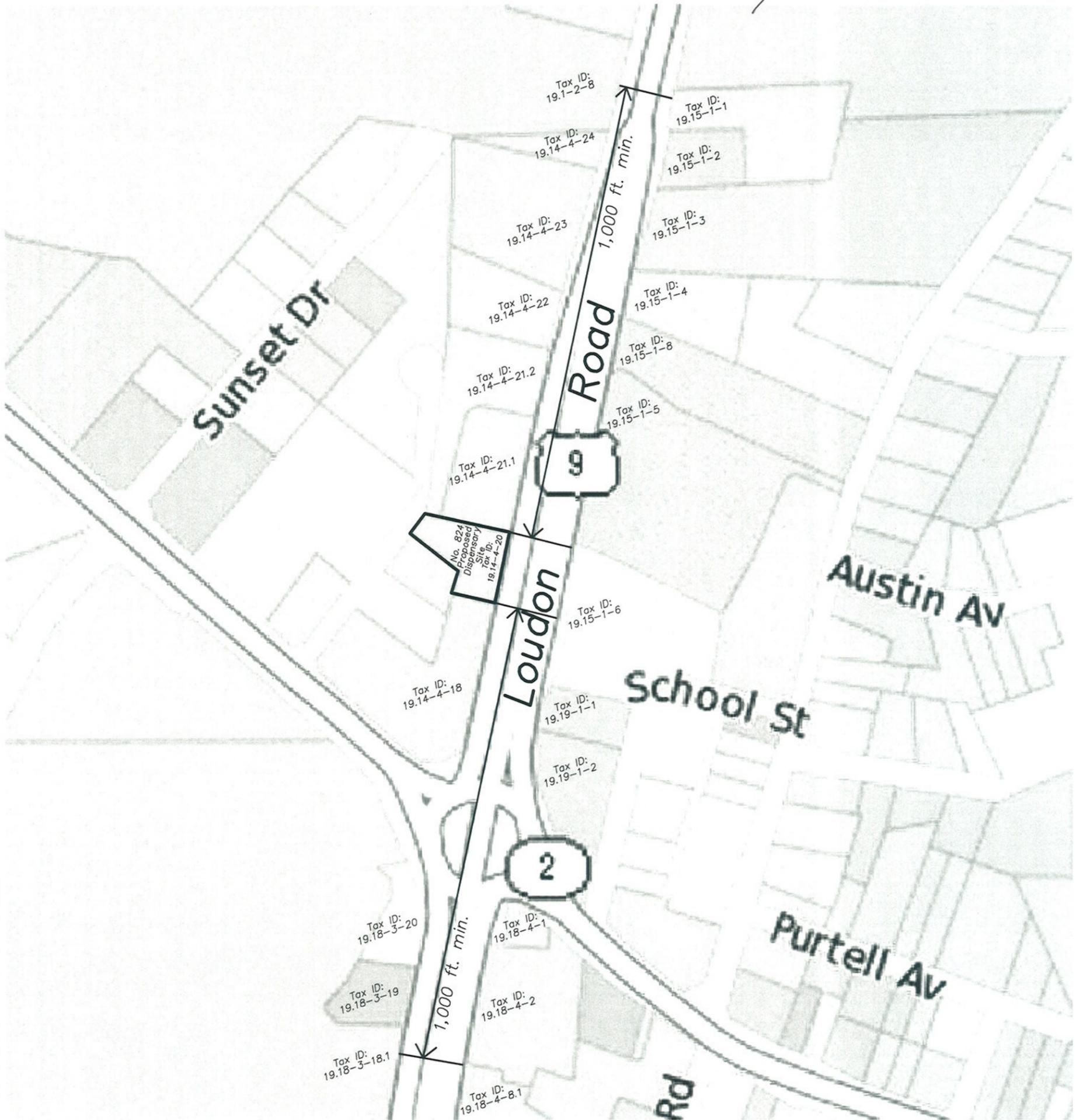
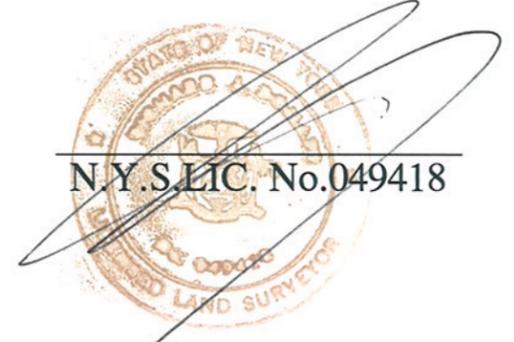


Site Survey and Field Inspection of Tax Lot:  
8 in Block 2, Sect. 19.1; Tax Lots:  
18, 20, 21.1, 21.2, 22, 23 & 24 in Block 4, Sect. 19.14;  
Tax Lots: 1, 2, 3, 4, 5, 6, & 8 in Block 1, Sect. 19.15;  
Tax Lots: 18.1, 19 & 20 in Block 3, Sect. 19.18; Tax Lots:  
1, 2 & 8.1 in Block 4, Sect. 19.18; and Tax Lots: 1 & 2 in  
Block 1, Sect. 19.19,  
being properties along Loudon Road within 1,000 feet of  
Tax Lot 20, in Block 4, Sect. 19.14 as shown on the  
Official Tax Assessment Map for the Town of Colonie,  
Situate in the Town of Colonie,  
Albany County, New York

**RICHARD J. DOMATO**  
LAND SURVEYOR  
Chase Bank Building  
22W. First Street-Room 401  
Mt. Vernon, N.Y. 10550  
(914)656-0926

Date: May 10, 2015

Scale: N.T.S.



**NOTES:**

- 1. A Field Inspection and Site Survey was performed to determine if the proposed dispensary will be located on the same street or avenue within one thousand feet of a building occupied exclusively as a school, church, synagogue or other place of worship and none were found to fall within those bounds.

In accordance with the minimum standards for Title Surveys of The N.Y.S. Land Title Assn.

"SURVEYED AS IN POSSESSION"



**APPENDIX A**

## **APPENDIX A**

The following documents are included in Appendix A:

1. Addendum A: Thomas Macre, Sr.
2. Fingerprint Receipt: Thomas Macre, Sr.
3. Addendum A: Peter Cantone
4. Fingerprint Receipt: Peter Cantone
5. Addendum A: Thomas Macre, Jr.
6. Fingerprint Receipt: Thomas Macre, Jr.
7. Addendum A: Jonathan Kaelin
8. Fingerprint Receipt: Jonathan Kaelin
9. Addendum A: Gary Mullin

Organization Charts:

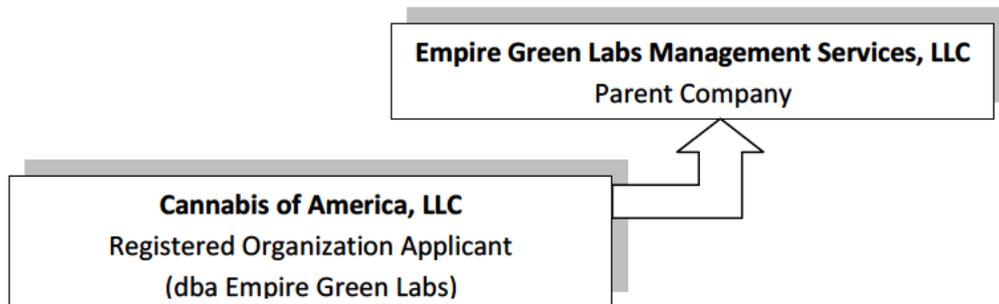
1. Cannabis of America, LLC & Empire Green Labs Management Services, LLC
2. Empire Green Labs Management Services, LLC
3. Cannabis of America, LLC
  - a. Management & the Manufacturing Facility
  - b. Dispensary Facility (representative of each dispensary)

## ORGANIZATION CHARTS

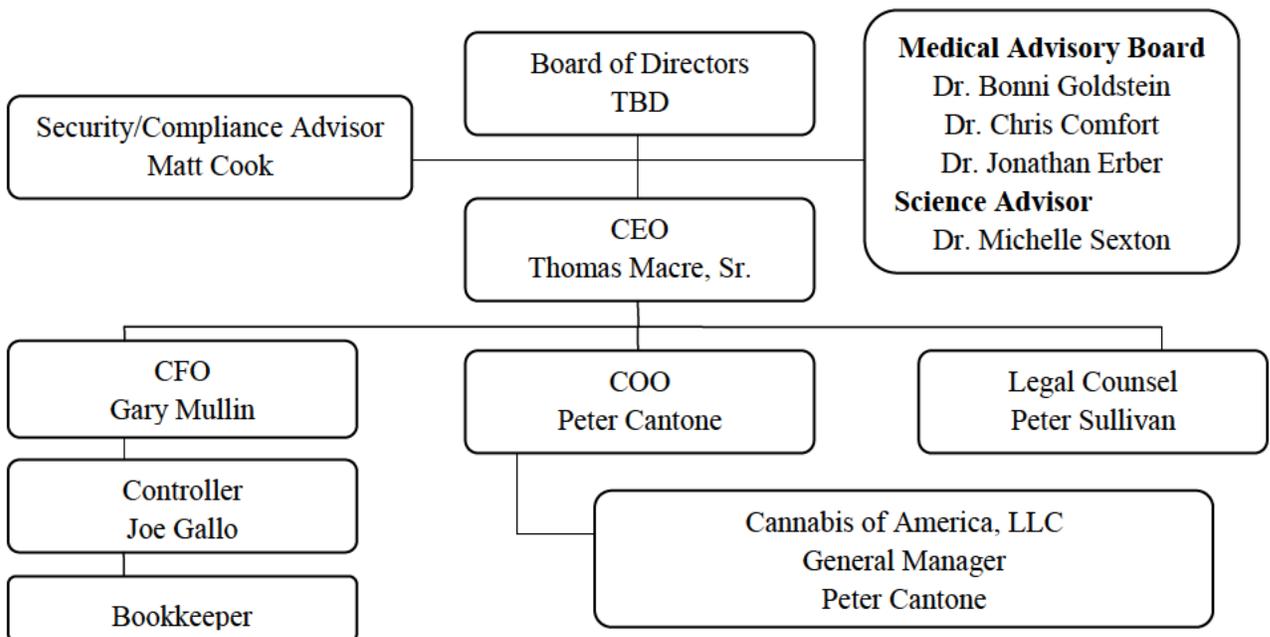
The organization charts depicted in this section provide clarity on managerial authority and the official reporting relationships that govern the workflow of Cannabis of America.

### Cannabis of America and Empire Green Labs Management Services

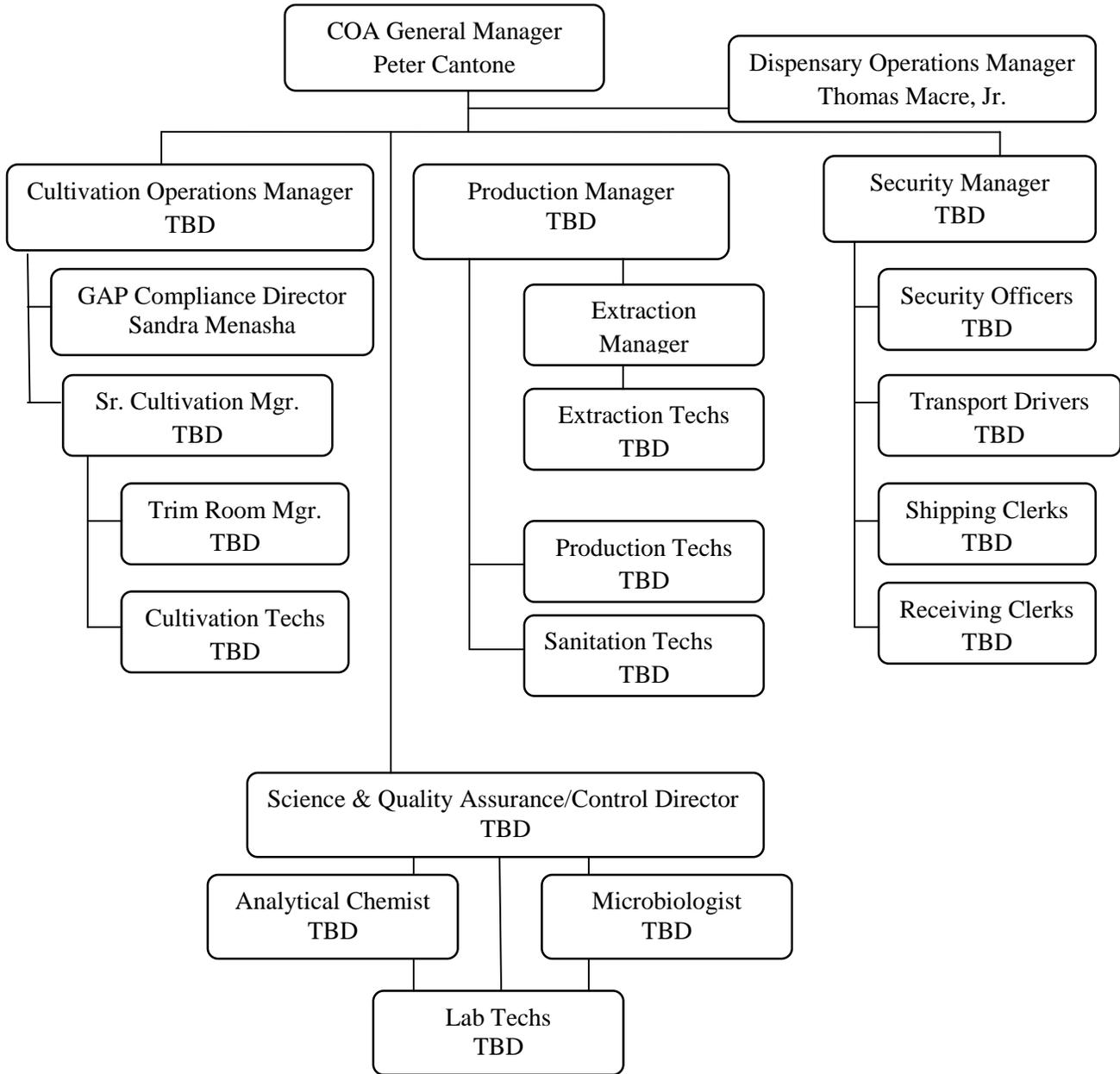
Cannabis of America, LLC is a wholly owned subsidiary of Empire Green Labs Management Services.



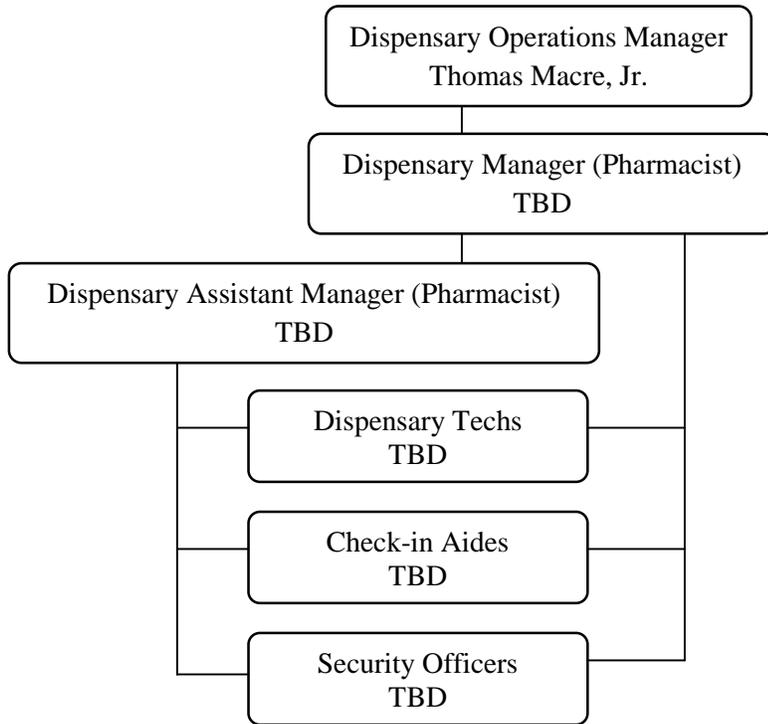
### Parent Company: Empire Green Labs Management Services, LLC Organization Chart



**Cannabis of America, LLC (“COA”)**  
**(Company seeking licensure—dba Empire Green Labs)**  
**Management and Manufacturing Facility**



**Cannabis of America, LLC**  
**Dispensary Operations**  
**(Representative of the Organization of each Dispensary)**





Appendix A:
Affidavit for Board Members, Officers, Managers, Owners, Partners,
Principal Stakeholders, Directors, and Members

Appendix A must be completed for all board members, officers, managers, owners, partners, principal stakeholders, directors, and members. For board members, officers, managers, owners, partners, directors, and members of the applicant that are not natural persons, Appendix A must be completed by each board member, officer, manager, owner, partner, director and member of that entity, going back to the level of ownership by a natural person. An Organizational Chart documenting your organizational structure must be included with this application.

1. Business Name: Cannabis of America, LLC
This is the name that was entered in Section A of the Application for Registration as a Registered Organization.
2. Name: Thomas Macre, Sr 3. Title:
4. Briefly describe the role of this person or entity in the proposed registered organization:
CEO of Empire Green Labs Management Services, LLC, the parent company of Cannabis of America, LLC.
5. Will this person or entity come into contact with medical marijuana or medical marijuana products?
[checked] Yes [ ] No
Any managers who may come in contact with or handle medical marijuana, including medical marijuana products, shall be subject to a fingerprinting process as part of a criminal history background check in compliance with the procedures established by Division of Criminal Justice Services and submission of the applicable fee. Criminal history background checks must be done through Identogo at http://www.identogo.com/FP/NewYork.aspx using the ORI number NY0412500 and the Fingerprint Reason "Control Substance License."
6. Has this person or entity held any position of management or ownership during the preceding ten years of a 10% or greater interest in any other business which manufactured or distributed drugs? [ ] Yes [checked] No
If the answer to this question is yes, provide the name of the business, a statement defining the position of management or ownership held in such business, and any finding of violations of law or regulation by a governmental agency against the business or person or entity.



Appendix A:

Affidavit for Board Members, Officers, Managers, Owners, Partners, Principal Stakeholders, Directors, and Members

7. Has this person or entity been convicted of a felony or had any type of registration or license suspended or revoked in any administrative or judicial proceeding?
[ ] Yes [x] No

If the answer to either of these questions is "Yes," a statement explaining the circumstances of the felony, suspension or revocation must be provided below.

8. Phone: [redacted] 9. Fax: [redacted]

10. Email: tomsr@empiregreenlabs.com

11. Residence Address: [redacted]

12. City: [redacted] 13. State: [redacted] 14. ZIP Code: [redacted]

15. Formal Education Dates Attended Degree

Institution Address From To Degree Received Date Received

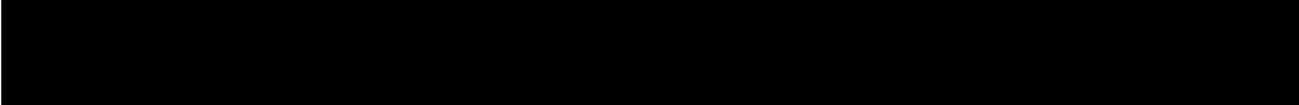


Table with 6 columns: Institution, Address, From, To, Degree Received, Date Received. Row 1: Villanova University, Villanova PA. 19085, 1976, 1980, BS Biology, June 1980.



Appendix A:
Affidavit for Board Members, Officers, Managers, Owners, Partners,
Principal Stakeholders, Directors, and Members

Table with 5 columns: Type of Professional License, License Number, Institution Granting License (Mailing Address, Phone, Email), Effective Date, Expiration Date. Row 1: 16. Licenses Held: List any and all licenses issued by a governmental or other regulatory entity.

17. Employment History for the Past 10 Years: Start with MOST RECENT employment and include employment during the last 10 years. Attach additional copies of page 3, if necessary.

Redacted pursuant to N.Y. Public Officers Law, Art. 6



Appendix A:

Affidavit for Board Members, Officers, Managers, Owners, Partners,
Principal Stakeholders, Directors, and Members

Form with fields: Street Address, City, State, Zip Code, Starting Date of Employment, Ending Date of Employment, Name of Supervisor for Reference, Supervisor Phone Number, Position/Responsibilities, Reason For Departure.

Redacted pursuant to N.Y. Public Officers Law, Art. 6

Form with fields: Name of Employer, Type of Business, Street Address, City, State, Zip Code, Starting Date of Employment, Ending Date of Employment, Name of Supervisor for Reference, Supervisor Phone Number, Position/Responsibilities, Reason For Departure, Name of Employer.



Appendix A: Affidavit for Board Members, Officers, Managers, Owners, Partners, Principal Stakeholders, Directors, and Members

Form with multiple sections for business information, including fields for Type of Business, Street Address, City, State, Zip Code, Starting/Ending Date of Employment, Name of Supervisor, and Position/Responsibilities.

Redacted pursuant to N.Y. Public Officers Law, Art. 6



Appendix A: Affidavit for Board Members, Officers, Managers, Owners, Partners, Principal Stakeholders, Directors, and Members

Form with three identical sections for business information, including fields for From, To, Business Type, Office Held/Nature of Interest, and Licensing/Regulatory Agency.



Appendix A:
Affidavit for Board Members, Officers, Managers, Owners, Partners,
Principal Stakeholders, Directors, and Members

19. Affirmative Statement of Qualifications

For individuals who have not previously served as a director/officer nor have had managerial experience, please include a statement below explaining how you are qualified to operate the proposed facility. This statement should include, but not be limited to, any relevant community/volunteer background and experience.

Community involvement:

Redacted pursuant to N.Y. Public Officers Law, Art. 6

20. The undersigned certifies, under penalty of perjury, that the information contained herein or attached hereto is accurate, true, and complete in all material respects.

Signature: Thomas P. Macis

Date: 5/14/15

Notary Name: Jessica M Lupone

Notary Registration Number:

Notary (Notary Must Affix Stamp or Seal)

Date: 5/14/15



L-1 Enrollment Sen

New York State  
EasyPath Netwo

Applicant: MACRE, THOMAS, PATRI  
Address: [REDACTED]

OCA: [REDACTED]  
Date Fingerprinted: [REDACTED] 0529

Fingerprint Center: L117  
Agency: NYS Dept of Health Bur Na  
Reason Fingerprinted:  
CONTROLLED SUBS

Amount Paid: 84.95  
Fee Paid By: [REDACTED]

Operator ID: NYL117003

(Agency Copy)

L-1 Enrollment Sen

New York State  
EasyPath Netwo

Applicant: MACRE, THOMAS, PATRI  
Address: [REDACTED]

OCA: [REDACTED]  
Date Fingerprinted: 2015 [REDACTED]

Fingerprint Center: L117  
Agency: NYS Dept of Health Bur Na  
Reason Fingerprinted:  
CONTROLLED SUBS

Amount Paid: 84.95  
Fee Paid By: [REDACTED]

Operator ID: NYL117003

(Agency Copy)



Appendix A: Affidavit for Board Members, Officers, Managers, Owners, Partners, Principal Stakeholders, Directors, and Members

Appendix A must be completed for all board members, officers, managers, owners, partners, principal stakeholders, directors, and members. For board members, officers, managers, owners, partners, directors, and members of the applicant that are not natural persons, Appendix A must be completed by each board member, officer, manager, owner, partner, director and member of that entity, going back to the level of ownership by a natural person. An Organizational Chart documenting your organizational structure must be included with this application.

1. Business Name: Cannabis of America, LLC
This is the name that was entered in Section A of the Application for Registration as a Registered Organization.
2. Name: Peter J. Cantone 3. Title: General Manager
4. Briefly describe the role of this person or entity in the proposed registered organization:
I am the General Manager of Cannabis of America, LLC with full responsibility for operating the manufacturing and dispensary facilities.
I am COO of Empire Green Labs Management Services, LLC the parent company of Cannabis of America, LLC,
I am the sole member of JJSL Medical, LLC, an equity member of Empire Green Labs Management Services, LLC.
5. Will this person or entity come into contact with medical marijuana or medical marijuana products?
[X] Yes [ ] No
Any managers who may come in contact with or handle medical marijuana, including medical marijuana products, shall be subject to a fingerprinting process as part of a criminal history background check in compliance with the procedures established by Division of Criminal Justice Services and submission of the applicable fee. Criminal history background checks must be done through Identogo at http://www.identogo.com/FP/NewYork.aspx using the ORI number NY0412500 and the Fingerprint Reason "Control Substance License."
6. Has this person or entity held any position of management or ownership during the preceding ten years of a 10% or greater interest in any other business which manufactured or distributed drugs? [ ] Yes [X] No
If the answer to this question is yes, provide the name of the business, a statement defining the position of management or ownership held in such business, and any finding of violations of law or regulation by a governmental agency against the business or person or entity.



Appendix A:

Affidavit for Board Members, Officers, Managers, Owners, Partners,
Principal Stakeholders, Directors, and Members

7. Has this person or entity been convicted of a felony or had any type of registration or license suspended or revoked in any administrative or judicial proceeding?
Yes No

If the answer to either of these questions is "Yes," a statement explaining the circumstances of the felony, suspension or revocation must be provided below.

8. Phone: [Redacted] 9. Fax: [Redacted]

10. Email: peter@empiregreenlabs.com

11. Residence Address: [Redacted]

12. City: [Redacted] 13. State: [Redacted] 14. ZIP Code: [Redacted]

15. Formal Education
Institution Address Dates Attended Degree
From To Degree Received Date Received

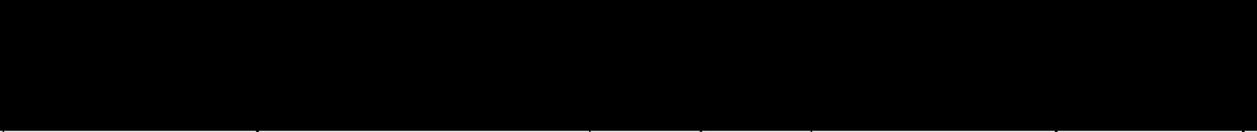


Table with 6 columns: Institution, Address, From, To, Degree Received, Date Received. Row 1: Pace University, 1 Pace Plaza New York, NY 10038, 1989, 1994, No degree received, NA.



Appendix A:

Affidavit for Board Members, Officers, Managers, Owners, Partners,
Principal Stakeholders, Directors, and Members

16. Licenses Held: List any and all licenses issued by a governmental or other regulatory entity.

Table with 5 columns: Type of Professional License, License Number, Institution Granting License (Mailing Address, Phone, Email), Effective Date, Expiration Date. The table contains 5 empty rows for data entry.

17. Employment History for the Past 10 Years: Start with MOST RECENT employment and include employment during the last 10 years. Attach additional copies of page 3, if necessary.

Redacted pursuant to N.Y. Public Officers Law, Art. 6



Appendix A:

Affidavit for Board Members, Officers, Managers, Owners, Partners,
Principal Stakeholders, Directors, and Members
Redacted pursuant to N.Y. Public Officers Law, Art. 6

Form with fields: Name of Employer, Type of Business, Street Address, City, State, Zip Code, Starting Date of Employment, Ending Date of Employment, Name of Supervisor for Reference, Supervisor Phone Number, Position/Responsibilities, Reason For Departure, Name of Employer.



Appendix A:

Affidavit for Board Members, Officers, Managers, Owners, Partners,
Principal Stakeholders, Directors, and Members

Form with multiple sections for business information, including fields for Type of Business, Street Address, City, State, Zip Code, Starting/Ending Date of Employment, Name of Supervisor, and Position/Responsibilities. Includes a section for '18. Offices Held or Ownership Interest in Other Businesses' with a checkbox for 'Yes'.

Redacted pursuant to N.Y. Public Officers Law, Art. 6



Appendix A:
Affidavit for Board Members, Officers, Managers, Owners, Partners,
Principal Stakeholders, Directors, and Members

Form with three identical sections for business information. Each section includes fields for 'From:', 'To:', 'Business Type:', 'Name and Address of Business:', 'Office Held/Nature of Interest:', and 'Name, Address and Phone Number of Licensing/Regulatory Agency, if applicable:'. The 'Office Held/Nature of Interest:' field includes checkboxes for 'open', 'closed', and 'proposed'.



Appendix A:
Affidavit for Board Members, Officers, Managers, Owners, Partners,
Principal Stakeholders, Directors, and Members

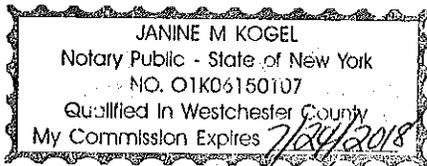
19. Affirmative Statement of Qualifications
For individuals who have not previously served as a director/officer nor have had managerial experience, please include a statement below explaining how you are qualified to operate the proposed facility. This statement should include, but not be limited to, any relevant community/volunteer background and experience.

20. The undersigned certifies, under penalty of perjury, that the information contained herein or attached hereto is accurate, true, and complete in all material respects.

Signature: [Handwritten Signature] Date: 5/18/15

Notary Name: [Handwritten Signature] Notary Registration Number: 01K06150107

Notary (Notary Must Affix Stamp or Seal) Date: 5/18/15





Appendix A:

Affidavit for Board Members, Officers, Managers, Owners, Partners, Principal Stakeholders, Directors, and Members

Appendix A must be completed for all board members, officers, managers, owners, partners, principal stakeholders, directors, and members. For board members, officers, managers, owners, partners, directors, and members of the applicant that are not natural persons, Appendix A must be completed by each board member, officer, manager, owner, partner, director and member of that entity, going back to the level of ownership by a natural person. An Organizational Chart documenting your organizational structure must be included with this application.

1. Business Name: Cannabis of America, LLC
This is the name that was entered in Section A of the Application for Registration as a Registered Organization.
2. Name: Jonathan E. Kaelin 3. Title: Special Advisor / Member
4. Briefly describe the role of this person or entity in the proposed registered organization:
Minority owner; provide insights and advice to executive leadership regarding the medicinal uses of cannabis and the industry at large, and business strategy and operations.
5. Will this person or entity come into contact with medical marijuana or medical marijuana products?
[checked] Yes [ ] No
Any managers who may come in contact with or handle medical marijuana, including medical marijuana products, shall be subject to a fingerprinting process as part of a criminal history background check in compliance with the procedures established by Division of Criminal Justice Services and submission of the applicable fee. Criminal history background checks must be done through Identogo at http://www.identogo.com/FP/NewYork.aspx using the ORI number NY0412500 and the Fingerprint Reason "Control Substance License."
6. Has this person or entity held any position of management or ownership during the preceding ten years of a 10% or greater interest in any other business which manufactured or distributed drugs? [checked] Yes [ ] No
If the answer to this question is yes, provide the name of the business, a statement defining the position of management or ownership held in such business, and any finding of violations of law or regulation by a governmental agency against the business or person or entity.
Jonathan Edward Kaelin (self); individual licensed medical cannabis caregiver (Maine); no violations



Appendix A:
Affidavit for Board Members, Officers, Managers, Owners, Partners,
Principal Stakeholders, Directors, and Members

7. Has this person or entity been convicted of a felony or had any type of registration or license suspended or revoked in any administrative or judicial proceeding?
[ ] Yes [x] No

If the answer to either of these questions is "Yes," a statement explaining the circumstances of the felony, suspension or revocation must be provided below.

8. Phone: [redacted] 9. Fax: n/a
10. Email: [redacted]
11. Residence Address: [redacted]

12. City: [redacted] 13. State: [redacted] 14. ZIP Code: [redacted]

Table with 6 columns: Institution, Address, From, To, Degree Received, Date Received. Rows include Kogod School of Business at The American University, Salisbury University, and Siena College.



Appendix A: Affidavit for Board Members, Officers, Managers, Owners, Partners, Principal Stakeholders, Directors, and Members

Table with 5 columns: Type of Professional License, License Number, Institution Granting License (Mailing Address, Phone, Email), Effective Date, Expiration Date. Row 1: Individual Caregiver, Registration #s CG1003851 - CG1003855, Maine Medical Use of Marijuana Licensing & Regulatory Services Maine DHHS, 11/12/2014, 11/11/2015. Row 2: (cont'd), State House Station #11 41 Anthony Avenue Augusta, ME 04333, since 10/2013. Row 3: (cont'd), 207-287-4325 medmarijuana.dhhs@maine.gov.

17. Employment History for the Past 10 Years: Start with MOST RECENT employment and include employment during the last 10 years. Attach additional copies of page 3, if necessary.

Redacted pursuant to N.Y. Public Officers Law, Art. 6



**Appendix A:**

**Affidavit for Board Members, Officers, Managers, Owners, Partners,  
Principal Stakeholders, Directors, and Members**

Redacted pursuant to N.Y. Public Officers Law, Art. 6



Appendix A:
Affidavit for Board Members, Officers, Managers, Owners, Partners,
Principal Stakeholders, Directors, and Members

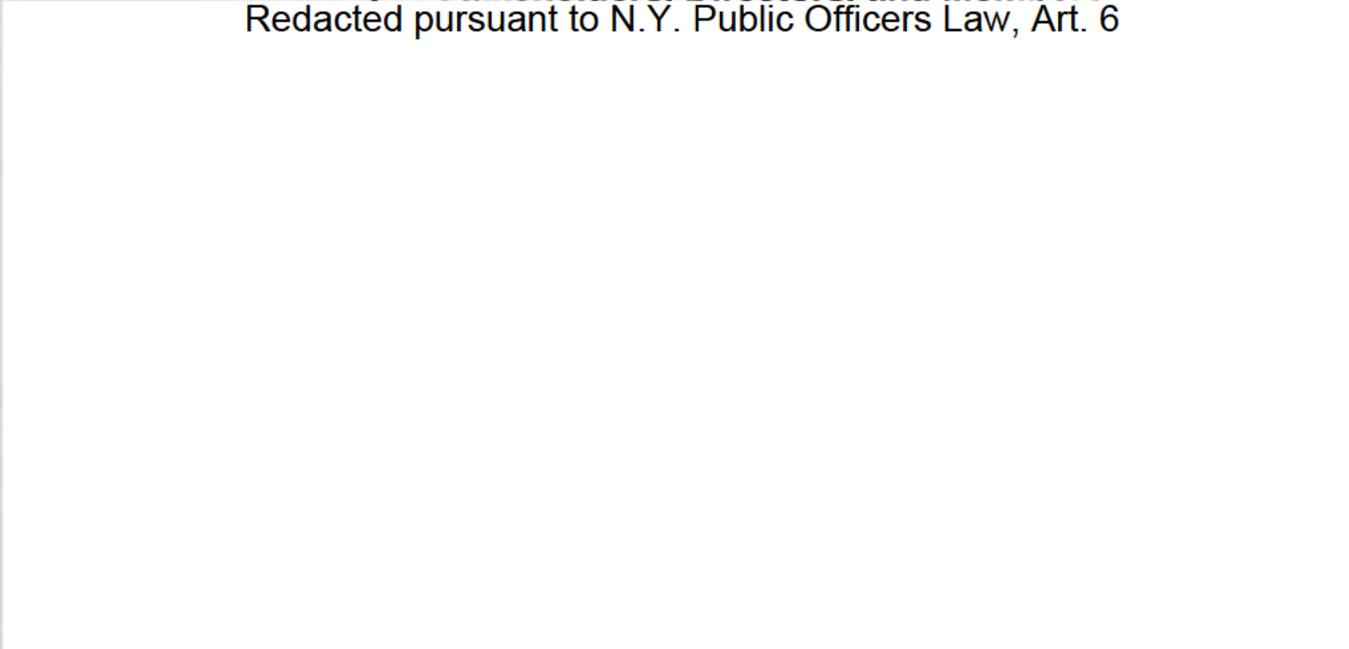
Form with multiple sections for business information, including fields for Type of Business, Street Address, City, State, Zip Code, Starting/Ending Date of Employment, Name of Supervisor for Reference, Supervisor Phone Number, Position/Responsibilities, Reason For Departure, and 18. Offices Held or Ownership Interest in Other Businesses.

Redacted pursuant to N.Y. Public Officers Law, Art. 6



Appendix A:

Affidavit for Board Members, Officers, Managers, Owners, Partners,
Principal Stakeholders, Directors, and Members
Redacted pursuant to N.Y. Public Officers Law, Art. 6



Form with fields: From, To, Business Type, Name and Address of Business, Office Held/Nature of Interest (with checkboxes for open, closed, proposed), Name, Address and Phone Number of Licensing/Regulatory Agency, if applicable.



Appendix A: Affidavit for Board Members, Officers, Managers, Owners, Partners, Principal Stakeholders, Directors, and Members

19. Affirmative Statement of Qualifications

For individuals who have not previously served as a director/officer nor have had managerial experience, please include a statement below explaining how you are qualified to operate the proposed facility. This statement should include, but not be limited to, any relevant community/volunteer background and experience.

20. The undersigned certifies, under penalty of perjury, that the information contained herein or attached hereto is accurate, true, and complete in all material respects.

Notary section containing signature, date, name, registration number, and seal for Patricia Hayes, Notary Public, State of Maine.

L-1 Enrollment Services

New York State  
EasyPath Network

Applicant: KAELIN, JONATHAN, EDWARD  
Address: [REDACTED]

OCA: [REDACTED]  
Date Fingerprinted: 2015 [REDACTED]

Fingerprint Center: L091  
Agency: NYS Dept of Health Bur Narcotic Enforcement  
Reason Fingerprinted:  
CONTROLLED SUBSTANCE

Amount Paid: 84.95  
Fee Paid By: [REDACTED]

Operator ID: 091009

(Agency Copy)

L-1 Enrollment Services

New York State  
EasyPath Network

Applicant: KAELIN, JONATHAN, EDWARD  
Address: [REDACTED]

OCA: [REDACTED]  
Date Fingerprinted: 2015 [REDACTED]

Fingerprint Center: L091  
Agency: NYS Dept of Health Bur Narcotic Enforcement  
Reason Fingerprinted:  
CONTROLLED SUBSTANCE

Amount Paid: 84.95  
Fee Paid By: [REDACTED]

Operator ID: 091009

(Agency Copy)



Appendix A:

Affidavit for Board Members, Officers, Managers, Owners, Partners,
Principal Stakeholders, Directors, and Members

Appendix A must be completed for all board members, officers, managers, owners, partners, principal stakeholders, directors, and members. For board members, officers, managers, owners, partners, directors, and members of the applicant that are not natural persons, Appendix A must be completed by each board member, officer, manager, owner, partner, director and member of that entity, going back to the level of ownership by a natural person. An Organizational Chart documenting your organizational structure must be included with this application.

1. Business Name: Cannabis of America LLC.
This is the name that was entered in Section A of the Application for Registration as a Registered Organization.
2. Name: Tom Macre Jr. 3. Title: Manager
4. Briefly describe the role of this person or entity in the proposed registered organization:
The Dispensary Operations Manager overseeing all four dispensaries. He is an equity and voting member of Empire Green Labs Managements Services LLC.
5. Will this person or entity come into contact with medical marijuana or medical marijuana products?
[checked] Yes [ ] No
Any managers who may come in contact with or handle medical marijuana, including medical marijuana products, shall be subject to a fingerprinting process as part of a criminal history background check in compliance with the procedures established by Division of Criminal Justice Services and submission of the applicable fee. Criminal history background checks must be done through Identogo at http://www.identogo.com/FP/NewYork.aspx using the ORI number NY0412500 and the Fingerprint Reason "Control Substance License."
6. Has this person or entity held any position of management or ownership during the preceding ten years of a 10% or greater interest in any other business which manufactured or distributed drugs? [ ] Yes [checked] No
If the answer to this question is yes, provide the name of the business, a statement defining the position of management or ownership held in such business, and any finding of violations of law or regulation by a governmental agency against the business or person or entity.



Appendix A: Affidavit for Board Members, Officers, Managers, Owners, Partners, Principal Stakeholders, Directors, and Members

7. Has this person or entity been convicted of a felony or had any type of registration or license suspended or revoked in any administrative or judicial proceeding?
Yes No

If the answer to either of these questions is "Yes," a statement explaining the circumstances of the felony, suspension or revocation must be provided below.

8. Phone [redacted] 9. Fax [redacted]

10. Email: tomjr@empiregreenlabs.com

11. Residence Address: [redacted]

12. City: [redacted] 13. State: [redacted] 14. ZIP Code: [redacted]

15. Formal Education (Institution, Address, Dates Attended, Degree, Date Received)



Table with 6 columns: Institution, Address, From, To, Degree Received, Date Received. Row 1: Villanova University, 800 E Lancaster Ave, Villanova, PA 19085, 8/21/05, 5/16/10, Bachelors of Arts, May 2010.



Appendix A: Affidavit for Board Members, Officers, Managers, Owners, Partners, Principal Stakeholders, Directors, and Members

16. Licenses Held: List any and all licenses issued by a governmental or other regulatory entity.
Table with 5 columns: Type of Professional License, License Number, Institution Granting License (Mailing Address, Phone, Email), Effective Date, Expiration Date.
17. Employment History for the Past 10 Years: Start with MOST RECENT employment and include employment during the last 10 years. Attach additional copies of page 3, if necessary.

Redacted pursuant to N.Y. Public Officers Law, Art. 6

Reason For Departure:
Name of Employer:
Type of Business:



Appendix A: Affidavit for Board Members, Officers, Managers, Owners, Partners, Principal Stakeholders, Directors, and Members

Form with multiple sections for personal and professional information, including fields for Street Address, City, State, Zip Code, Starting Date of Employment, Ending Date of Employment, Name of Supervisor for Reference, Supervisor Phone Number, Position/Responsibilities, Reason For Departure, Name of Employer, and Type of Business.



Appendix A: Affidavit for Board Members, Officers, Managers, Owners, Partners, Principal Stakeholders, Directors, and Members

Form with multiple sections for business information, including fields for Type of Business, Street Address, City, State, Zip Code, Starting Date of Employment, Ending Date of Employment, Name of Supervisor for Reference, Supervisor Phone Number, Position/Responsibilities, Reason For Departure, Name of Employer, Type of Business, and a section for 18. Offices Held or Ownership Interest in Other Businesses.

Redacted pursuant to N.Y. Public Officers Law, Art. 6



Appendix A:
Affidavit for Board Members, Officers, Managers, Owners, Partners,
Principal Stakeholders, Directors, and Members

Form with three identical sections for business information. Each section includes fields for 'From:', 'To:', 'Business Type:', 'Office Held/Nature of Interest:', and 'Name, Address and Phone Number of Licensing/Regulatory Agency, if applicable:'. The 'Office Held/Nature of Interest:' field includes checkboxes for 'open', 'closed', and 'proposed'.



Appendix A: Affidavit for Board Members, Officers, Managers, Owners, Partners, Principal Stakeholders, Directors, and Members

19. Affirmative Statement of Qualifications

For individuals who have not previously served as a director/officer nor have had managerial experience, please include a statement below explaining how you are qualified to operate the proposed facility. This statement should include, but not be limited to, any relevant community/volunteer background and experience.

20. The undersigned certifies, under penalty of perjury, that the information contained herein or attached hereto is accurate, true, and complete in all material respects.

Signature: Thomas Maere

Date: 5/14/15

Notary Name: Brent Iacobelli

Notary Registration Number: N/A

Notary (Notary Must Affix Stamp or Seal)

Date: 5/14/15



L-1 Enrollment Services

New York State  
EasyPath Network

Applicant: MACRE, THOMAS, PADRAIG

Address: [REDACTED]

OCA:

Date Fingerprinted: 2015 [REDACTED]

Fingerprint Center: L076

Agency: NYS Dept of Health Bur Narcotic Enf

Reason Fingerprinted:

CONTROLLED SUBSTANCE

Amount Paid: 84.95

Fee Paid By: [REDACTED]

Operator ID: 076026



Appendix A: Affidavit for Board Members, Officers, Managers, Owners, Partners, Principal Stakeholders, Directors, and Members

Appendix A must be completed for all board members, officers, managers, owners, partners, principal stakeholders, directors, and members. For board members, officers, managers, owners, partners, directors, and members of the applicant that are not natural persons, Appendix A must be completed by each board member, officer, manager, owner, partner, director and member of that entity, going back to the level of ownership by a natural person. An Organizational Chart documenting your organizational structure must be included with this application.

1. Business Name: Cannabis of America, LLC
This is the name that was entered in Section A of the Application for Registration as a Registered Organization.
2. Name: Gary D Mullin 3. Title
4. Briefly describe the role of this person or entity in the proposed registered organization: CFO of Empire Green Labs, LLC, parent company of Cannabis of America, LLC
5. Will this person or entity come into contact with medical marijuana or medical marijuana products? [ ] Yes [x] No
Any managers who may come in contact with or handle medical marijuana, including medical marijuana products, shall be subject to a fingerprinting process as part of a criminal history background check in compliance with the procedures established by Division of Criminal Justice Services and submission of the applicable fee. Criminal history background checks must be done through Identogo at http://www.identogo.com/FP/NewYork.aspx using the ORI number NY0412500 and the Fingerprint Reason "Control Substance License."
6. Has this person or entity held any position of management or ownership during the preceding ten years of a 10% or greater interest in any other business which manufactured or distributed drugs? [ ] Yes [x] No
If the answer to this question is yes, provide the name of the business, a statement defining the position of management or ownership held in such business, and any finding of violations of law or regulation by a governmental agency against the business or person or entity.



Appendix A: Affidavit for Board Members, Officers, Managers, Owners, Partners, Principal Stakeholders, Directors, and Members

7. Has this person or entity been convicted of a felony or had any type of registration or license suspended or revoked in any administrative or judicial proceeding?
[ ] Yes [x] No

If the answer to either of these questions is "Yes," a statement explaining the circumstances of the felony, suspension or revocation must be provided below.

8. Phone: [Redacted] 9. Fax: N/A

10. Email: [Redacted]

11. Residence Address: [Redacted]

12. City: [Redacted] 13. State: [Redacted] 14. ZIP Code: [Redacted]

15. Formal Education (Table header)

Table with 6 columns: Institution, Address, From, To, Degree Received, Date Received. Contains entries for Yale University and University of New Haven.



Appendix A:
Affidavit for Board Members, Officers, Managers, Owners, Partners,
Principal Stakeholders, Directors, and Members

16. Licenses Held: List any and all licenses issued by a governmental or other regulatory entity.
Table with 5 columns: Type of Professional License, License Number, Institution Granting License (Mailing Address, Phone, Email), Effective Date, Expiration Date.
17. Employment History for the Past 10 Years: Start with MOST RECENT employment and include employment during the last 10 years. Attach additional copies of page 3, if necessary.

Redacted pursuant to N.Y. Public Officers Law, Art. 6

Name of Employer
Type of Business



Appendix A:
Affidavit for Board Members, Officers, Managers, Owners, Partners,
Principal Stakeholders, Directors, and Members

Form with multiple sections for personal and professional information, including fields for Street Address, City, State, Zip Code, Starting Date of Employment, Ending Date of Employment, Name of Supervisor for Reference, Supervisor Phone Number, Position/Responsibilities, Reason For Departure, Name of Employer, and Type of Business.



Appendix A:
Affidavit for Board Members, Officers, Managers, Owners, Partners,
Principal Stakeholders, Directors, and Members

Form with multiple sections for business information, including fields for Type of Business, Street Address, City, State, Zip Code, Starting Date of Employment, Ending Date of Employment, Name of Supervisor for Reference, Supervisor Phone Number, Position/Responsibilities, Reason For Departure, and a section for other business affiliations.

Redacted pursuant to N.Y. Public Officers Law, Art. 6



Appendix A:
Affidavit for Board Members, Officers, Managers, Owners, Partners,
Principal Stakeholders, Directors, and Members

Form with three identical sections for business information. Each section includes fields for 'From:', 'To:', 'Business Type:', 'Office Held/Nature of Interest:', and 'Name, Address and Phone Number of Licensing/Regulatory Agency, if applicable:'. The 'Office Held/Nature of Interest:' field includes checkboxes for 'open', 'closed', and 'proposed'.



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Principal Stakeholders, Directors, and Members

19. Affirmative Statement of Qualifications

For individuals who have not previously served as a director/officer nor have had managerial experience, please include a statement below explaining how you are qualified to operate the proposed facility. This statement should include, but not be limited to, any relevant community/volunteer background and experience.

20. The undersigned certifies, under penalty of perjury, that the information contained herein or attached hereto is accurate, true, and complete in all material respects.

Signature: [Handwritten Signature] Date: June 1, 2015

Notary Name: Karen Berchem Notary Registration Number:

Notary (Notary Must Affix Stamp or Seal) Date: 6/1/15 KAREN BERCHEM NOTARY PUBLIC My Commission Expires August 31, 2019



**APPENDIX B**



Appendix B: Architectural Program

A SEPARATE "APPENDIX B" SHALL BE COMPLETED FOR EACH SEPARATE BUILDING AND/OR FACILITY INCLUDED IN THE ORGANIZATION'S BUSINESS PLAN

COMPANY INFORMATION

Business Name: Cannabis of America LLC d/b/a Empire Green Labs
Facility Type: Manufacturing Facility [checked] Dispensing Facility [ ]
Use and Occupancy Classification: B
Building Construction Type and Classification: II B
Facility Address: ~~824 Loudon Rd, Latham, NY~~ 42 Windsor Place, Central Islip, NY 11722
Primary Contact Telephone number: 914-618-2895
Primary Contact Fax number: 203-651-1065

PART I - ARCHITECTURAL PROGRAM & CONSTRUCTION TIMELINE:

Applicant shall identify planning requirements, including but not limited to:

- TOWN BOARD APPROVAL [ ]
PLANNING BOARD APPROVAL [checked]
ZONING BOARD OF APPEALS APPROVAL [ ]
PREPARATION OF CONSTRUCTION DOCUMENTS [checked]
BUILDING PERMIT [checked]
BIDDING PHASE [checked]
CONTRACT AWARD PHASE PER EACH APPLICABLE CONTRACTOR (Identify all that apply) [checked]
COMMENCEMENT OF CONSTRUCTION [checked]
COMPLETION OF CONSTRUCTION [checked]



**Appendix B – Architectural Program**

**PART II – SITE PLAN(S)**

Applicant shall provide the appropriate details for each of the following by identifying the location and dimension on the Site Plan attached to the application for each building location.

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Entrance and Exits        | <input checked="" type="checkbox"/> Fire Lane and/or Fire Apparatus Road |
| <input checked="" type="checkbox"/> Public Parking Spaces     | <input checked="" type="checkbox"/> Percentage of Green Space            |
| <input checked="" type="checkbox"/> Staff Parking Spaces      | <input checked="" type="checkbox"/> Location of Emergency Power Systems  |
| <input checked="" type="checkbox"/> Accessible Parking Spaces | <input checked="" type="checkbox"/> Loading & Unloading                  |
| <input checked="" type="checkbox"/> Accessible Route(s)       | <input checked="" type="checkbox"/> Security Gates & Fences              |

**PART III – ENERGY SOURCES & ENGINEERING SYSTEMS:**

Applicant shall provide the following minimum information to outline the specifications relating to the energy sources and engineering systems of each building included in the application.

- Energy Source:
- |   |                                      |                                   |
|---|--------------------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> Natural Gas | <input type="checkbox"/> Oil         | <input type="checkbox"/> Electric |
| <input type="checkbox"/> Solar                  | <input type="checkbox"/> Other _____ |                                   |
- Engineering Systems:
- Heating System: Type \_\_\_\_\_, Size \_\_\_\_\_ Efficiency \_\_\_\_\_,  
Ventilation Requirements \_\_\_\_\_
- Cooling System: Type \_\_\_\_\_, Size \_\_\_\_\_ Efficiency \_\_\_\_\_,  
Ventilation Requirements \_\_\_\_\_
- Ventilation & Humidification Systems:  
Type \_\_\_\_\_, Size \_\_\_\_\_, Efficiency \_\_\_\_\_,  
Ventilation Requirements \_\_\_\_\_
- Electrical Distribution Available \_\_\_\_\_
- Water Supply: Municipal Water Service X or Private Well Water \_\_\_\_\_
- Sewage: Municipal Sewer System X or Private Septic System X
- Emergency Power System:  
Type GAS, Size 10 Efficiency \_\_\_\_\_



Appendix B – Architectural Program

Table with 2 columns: Compliance checkbox and Code description. Includes codes like 2010 BUILDING CODE OF NYS, 2010 FIRE CODE OF NYS, etc.



**Appendix B – Architectural Program**

<p><b>Select Project Type:</b> Check all that apply. Refer to the Existing Building Code for definitions.</p>	<input type="checkbox"/> New Building <input checked="" type="checkbox"/> Repair <input type="checkbox"/> Alteration Level 1 <input type="checkbox"/> Alteration Level 2	<input checked="" type="checkbox"/> Alteration Level 3 <input checked="" type="checkbox"/> Change of Occupancy <input type="checkbox"/> Addition <input type="checkbox"/> Historic Building	<input type="checkbox"/> Demolition <input type="checkbox"/> Chapter 3. Prescriptive Compliance Method <input type="checkbox"/> Chapter 13. Performance Compliance Method
	<p><b>Select Work Involved:</b> Check all that apply.</p> <input checked="" type="checkbox"/> General Construction <input type="checkbox"/> Roofing <input type="checkbox"/> Asbestos Abatement/Environmental <input type="checkbox"/> Fire Alarm	<input type="checkbox"/> Structural <input checked="" type="checkbox"/> Mechanical <input checked="" type="checkbox"/> Plumbing <input checked="" type="checkbox"/> Electrical	<input checked="" type="checkbox"/> Site Work <input checked="" type="checkbox"/> Sprinkler <input type="checkbox"/> Elevators <input type="checkbox"/> Other: _____

<b>CODE COMPLIANCE REVIEW</b>						
<p>Applicant shall provide all applicable information in regards to the code topic and section listed below.</p> <p>1. Code Compliance Review is based on the 2010 NY State Building Code for New Construction. If any other building code applies to the location or type of construction, provide applicable code and sections that most closely relates and references the code topic and information in the code sections listed below. Provide appropriate abbreviations for other applicable codes, such as: <b>FC: Fire Code, PC: Plumbing Code, MC: Mechanical Code, FGC: Fuel Gas Code, ECCC: Energy Conservation Code.</b></p> <p>2. Provide the Required standard for each applicable code section. (i.e.: area, quantity, classification type, materials, hourly separation, etc.). If section does not apply, indicate one of the following with explanation: <b>NA: Not Applicable, NR: Not Required, NP: Not Permitted</b></p> <p>3. Provide your facilities "Actual" value for each required standard as per applicable code section.</p>						
No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
1	Use & Occupancy Classification	302.1 - 312	NR	Use & occupancy of this facility. Identify all applicable materials, class and quantities regarding Table 307.1.	Occupancy B 307.1 N/A	Occupancy B 307.1 N/A



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
2	Combustible Storage	413	N/R	All combustible storage areas and rooms, as per applicable Building and Fire Codes. Identify all combustible stored materials, area and room dimensions, all required fire separations, and exit requirements.	N/A	N/A
3	Hazardous Materials	414	N/R	All hazardous materials stored or used as per applicable Building and Fire Codes. Identify all combustible stored materials, area and room dimensions, all required fire separations, and exit requirements.	N/A	N/A
4	Hazardous Materials Control Areas	414.2	N/R	Provide additional information indicating number, size, materials stored, and quantity of each material.	N/A	N/A
5	Building Area & Height	501-507	N/R	Provide the building area & height Provide all calculations and cite applicable code sections for increased Building Area & Heights allowed per building code(s).	Max. H= 2 Story Max. Area= 40,000 sf	Existing = 1 Story Existing = 4920 sf
6	Incidental Use Areas	508.2	N/R	Identify all Incidental Use Areas and required fire separation of occupancies on Building Plans.	N/A	N/A



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
7	Mixed Occupancies	508.3	N/R	Provide analysis with code cited, and required fire separation of occupancies. Identify required fire separation of occupancies on Building Plan(s).	N/A	N/A
8	Nonseparated Uses	508.3.2	N/R	Provide analysis with code cited, and required fire separation of occupancies. Identify required fire separation of occupancies on Building Plan(s).	N/A	N/A
9	Separated Uses (Ratio < 1)	508.3.3	NR	Provide analysis with code cited, and required fire separation of occupancies. Identify required fire separation of occupancies on Building Plan(s).	One hour fire sep. wall	One hour fire sep. wall
10	Construction Classification	602	NR	Provide Construction Classification per each building included in Application.	II B	II B
11	Fire Resistance Rating Req'm't for Building Elements	Table 601	NR	Provide Fire Resistance Rating per each building element as per Table 601. Identify rating & elements on Building Plans.	Bearing walls = 0 Roof = 0	Bearing walls = 0 Roof = 0



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
12	Exterior Wall Fire-Resistance Rating	Table 602	N/R	Identify required fire resistance rating of exterior walls on Building Plan(s).	One hour rated wall	One hour rated wall
13	Exterior Fire Separation Distance	Table 602	N/R	Identify required fire separation distance of exterior walls between Buildings on Plan.	5< x < 10 required	
14	Fire Walls	705	N/R	Provide code information and identify all applicable required Fire Wall(s) and fire resistance requirement on Building Plans.	N/A	N/A
15	Fire Barriers	706	N/R	Provide code information and identify all applicable required Fire Barrier(s) and fire resistance requirement on Building Plans.	One hour Partition Wall 45 Min Rated Doors	One hour Partition Wall 45 Min Rated Doors
16	Shaft Enclosures	707	N/R	Provide code information and identify all applicable required Shaft Wall(s) and fire resistance requirement on Building Plans.	One hour Partition Wall 45 Min Rated Doors	One hour Partition Wall 45 Min Rated Doors
17	Fire Partitions	708	N/R	Provide code information and identify all applicable required Fire Partition(s) and fire resistance requirement on Building Plans.	One hour Partition Wall 45 Min Rated Doors	One hour Partition Wall 45 Min Rated Doors



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
18	Horizontal Assemblies	711	N/R	Provide code information and identify all applicable required Horizontal Assemblies and fire resistance requirement on Building Plans.	N/A	N/A
19	Fire Protection: Sprinkler System	903	N/R	Indicate Type of Sprinkler System: <input type="checkbox"/> NFPA 13 <input type="checkbox"/> NFPA 13 R <input type="checkbox"/> NFPA 13D Provide code information of all applicable requirements for Automatic Sprinkler Systems with code section cited.	501. NYS B.C. 902. NYS B.C.	Meet Requirements
20	Alt. Fire Extinguishing System	904	N/R	Provide code information of all applicable requirements for Alternative Automatic Fire-Extinguishing Systems with code section(s) cited.	N/A	N/A
21	Standpipe System	905	N/R	Provide code information of all applicable requirements for Standpipe Systems with code section(s) cited.	N/A	N/A
22	Fire Alarm & Detection Systems	907	N/R	Provide code information of all applicable requirements for Fire Alarm System(s) with code section cited. Indicate Type of Fire Alarm System <input type="checkbox"/> Addressable <input type="checkbox"/> Hardwired (zoned)	Per Local Fire Marshal	Per Local Fire Marshal



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
23	Emergency Alarm System	908	N/R	Provide code information of all applicable requirements for Emergency Alarm Systems with code section cited.	N/A	N/A
24	Fire Department Connections	912	N/R	Identify Fire Department connections in accordance with NFPA applicable standard.	N/A	N/A
25	Exits	1001.1 & 2	N/R	Identify on the Building Plans and documents, per each door, the following information: door width, door height, direction of swing, type of construction, hourly rating, and door closures.	45 Min. Rated Doors Single Door Min. 36" Double Doors Min 6'-0"	45 Min. Rated Doors Single Door Min. 36" Double Doors Min 6'-0"
26	Occupant Load	1004 & Table 1004.1.1	N/R	Identify the use/name of each room, dimensions of each room, and Occupant Loads per each room on the Building Plans.	Based on table 1004.1	Max allowed 110
27	Egress Width	1005	N/R	Provide egress widths & cite applicable code section(s) and requirement(s) on the Building Plans	Based on table 1005.1	Meet requirements
28	Accessible Means of Egress	1007.1	N/R	Provide accessible means of egress as per Section 1007 & cite applicable code section(s) and requirement(s) on the Building Plans.	Min 2 accessible mean of egress per floor	Total 4 accessible mean of egress



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
29	Doors, Gates, and Turnstiles	1008	N/R	Means of egress doors shall meet the requirements of this section.	Min (2) 36" doors	Meet Requirements
30	Interior Stairs	1009	N/R	Identify the following information for each stairway on the Building Plan(s): the width of stairways; the height, width, depth and number of risers and treads; dimensions of landings; stairway construction type; and handrail height.	Min width = 44" Max R= 7" Min T= 11"	Meet Requirements
31	Ramps	1010.1	N/R	Identify the following information of each ramp, on the Building Plan(s): width; total vertical rise; length of ramp; and handrail height.	N/A	N/A
32	Common Path of Travel	1014.3	N/R	Identify on the Building Plan(s): the length of the "Common Path of Travel" per each room as per applicable building code requirements.	Max travel path = 75 ft	Meet Requirements
33	Exit Doorway Arrangement	1015	N/R	Identify on the Building Plan(s): applicable building code requirements for all Exits and Exit Access Doorways per each room and required exits in all buildings.	One third of the length of the building	Meet requirements
34	Corridor Fire Rating	1017.1	N/R	Identify, on the Building Plan(s): all corridors with required fire resistance and the applicable fire rating.	N/A	N/A



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
35	Corridor Width	1017.2	N/R	Identify on the Building Plan(s): the width of all corridors. Provide applicable code section(s) and requirement(s).	44" Min,	N/A
36	Dead End Corridor	1017.3	N/R	Corridors shall not exceed the maximum dead end corridor length as per applicable code.	Max. 20FT	No dead en corridors on the building
37	Number of Exits and Continuity	1019	N/R	Identify on the Building Plan(s): required number of exits, continuity and arrangement as per the applicable code requirements.	Min, 2 exits	Meet requirements
38	Vertical Exit Enclosures	1020	N/R	Identify on the Building Plan(s): all applicable code requirements for each Vertical Exit Enclosure.	44" Min Width	Meet Requirements
39	Exit Passageways	1021	N/R	Identify on the Building Plan(s): all applicable code requirements for each Exit Passageway.	N/A	N/A
40	Horizontal Exits	1022	N/R	Identify on the Building Plan(s): all applicable code requirements for each Horizontal Exit.	N/A	N/A



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
41	Exterior Exit Ramps & Stairways	1023	N/R	Identify on the Building Plan(s): all applicable code requirements for each exterior exit ramps and stairways.	N/A	N/A
42	Exit Discharge	1024	N/R	Identify on the Building Plan(s): all applicable code requirements for each Exit Discharge.	See Plan	See Plan
43	Accessibility	1101.1 - 1110 & ICC/A117.1(03)	N/R	Identify on the Building Plan(s): all applicable code requirements such that the design and construction of each building/facility provides accessibility to physically disabled persons.	See Plan	See Plan
44	Energy Conservation	2010 NYS ECCC & IECC 2012	N/R	Identify the R-Value and U-Value of each construction component and assembly of the building envelope as required in the applicable energy and building code(s).	Exterior Walls R21 Roof: R38	Exterior Wall R21 Roof R 38
45	Emergency & Standby Power	2702.1	N/R	Identify emergency & Standby Power locations and specifications of the system to be provided.	Generator	Generator
46	Smoke Control Systems	2702.2.2	N/R	Identify the Standby power for smoke control systems in accordance with Section 909.11 of NYS Building Code.	Generator	Generator



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
47	Plumbing Fixture Count	2902.1	N/R	Identify on the Building Plan(s): the minimum plumbing facilities as per applicable plumbing code(s).	Chart 2902.1	Meet Requirement
48	Available Street Water Pressure		N/R	Provide the available street or well water pressure.	N/A	90 psi
49	Fire Apparatus Access Road	FC503.1	N/R	Identify on the Site Plan: Fire Apparatus Road, Fire Lane and other Fire Service requirements per applicable Building and Fire Codes.	N/A	N/A



# CULTIVATION FACILITY

# 42 WINDSOR PLACE

CENTRAL ISLIP, N.Y.

LIST OF DRAWINGS:

- T1 COVER SHEET
- AS/1 ARCHITECTURAL SITE PLAN
- D-1 PARTIAL DEMOLITION 1 / CULTIVATION FACILITY
- A-100 PROPOSED CULTIVATION FACILITY
- A-200 PROPOSED EXTERIOR ELEVATIONS
- A-300 BUILDING SECTIONS AND DETAILS
- A-600 EGRESS PAGE AND CODE REVIEW



LOCATION MAP

- GENERAL NOTES**
1. Intent of documents is to show new construction only. Provide all required demolition and remove only those existing items as required to accomplish the new construction as shown. Retain or relocate those items not shown removed or where called for to be relocated.
  2. Existing drawings shall not be deemed to show all existing conditions and shall not substitute for field visits, they are only to aid in the understanding of the new work.
  3. Verify all field conditions prior to execution of the work and notify the Architect if there are discrepancies or unsatisfactory existing conditions.
  4. Provide all temporary bracing, shoring, forms, etc. Provide all required temporary enclosures to protect the new and existing construction materials and equipment from the weather and to protect the unaltered area from the dust and dirt of construction.
  5. The contractor shall repair at his own expense any damages occurring from the new work due to exposure to weather or his manners or methods of construction.
  6. For all guarantees and warranties see the specifications.
  7. Provide all required cutting, fitting, and patching for the mechanical and electrical trades.
  8. Provide all miscellaneous rough and finish carpentry, headers, lintels, blocking, furring, trimming etc. as might be required.
  9. All dimensions shown are to rough surfaces not finished, unless otherwise noted.
  10. Provide all required plumbing, vent and electrical connections for all appliances.
  11. All work shall conform to local, state and national codes.

**GP** ARCHITECTURAL LLP  
**GP CONSULTING LLC**  
 62 PLATT LN MILFORD CT 06460  
 (203) 306-8780 (203) 763-9098

### 42 WINDSOR PLACE

CENTRAL ISLIP N.Y.

Drawing Title: COVER SHEET		Scale: NA
Project No.: 2015/05	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: T1

NOTE: DO NOT SCALE DRAWINGS

1 2 3 4 5 2 6 3 4

Redacted pursuant to N.Y. Public Officers Law, Art. 6

A

B

C

D



GP CONSULTING LLC  
62 PLATT LN MILFORD CT 06460  
(203) 306-8780 (203) 763-9098

42 WINDSOR PLACE  
CENTRAL ISLIP N.Y.

Drawing Title: ARCHITECTURAL SITE PLAN		Scale: 1/20
Project No.: 2015/05	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: AS/1

NOTE: DO NOT SCALE DRAWINGS

E

F

Redacted pursuant to N.Y. Public Officers Law, Art. 6

**GENERAL DEMOLITION NOTES:**

- G1 NOTIFY "CALL BEFORE YOU DIG" (1-800-922-4455 IN CT. 1-888-258-0808 NATL) BEFORE EXCAVATING OR DOING EXPLORATORY WORK IN THE GROUND AND HAVE THE AREA OF WORK ON SITE INSPECTED BEFORE COMMENCING ANY WORK.
- G2 PROTECT PROJECT FROM ENTRY BY UNAUTHORIZED PERSONS.
- G3 SHORE ALL SELECTIVE DEMOLITION AREAS AS REQUIRED TO PREVENT FAILURE.
- G4 CAP ALL UTILITIES AS REQUIRED AND AUTHORIZED BY THE PROVIDER AND TO CODE.
- G5 STORE AND DISPOSE OF ALL DEMOLITION MATERIALS IN A LEGAL MANNER IN ACCORDANCE WITH ALL APPLICABLE ORDINANCES.
- G6 NOTIFY AND COORDINATE EGRESS TO THE WORK AREA WITH SECURITY SERVICE IF SAME EXISTS.
- G7 PROTECT EXISTING STRUCTURES FROM EXPOSURE TO ELEMENTS DURING AND AFTER DEMOLITION.
- G8 ALL EXISTING AREAS TO REMAIN TO BE PATCHED AND REPAIRED, AS REQUIRED, TO MEET AND MATCH ADJACENT.
- G9 NEW WOOD FLOORS TO MEET AND MATCH ADJACENT EXISTING FLOOR FINISH FLUSH.
- G10 ELECTRICAL: REMOVE EXISTING ELECTRICAL ITEMS NOT INTENDED FOR REUSE, SEE ELECTRICAL PLANS FOR SCOPE OF ELECTRICAL WORK. ALL EXISTING POWER TO REMAIN SHALL BE RECONNECTED TO BRANCH CIRCUITS.
- G11 HVAC: SEE MECHANICAL PLANS FOR HEATING, AIR CONDITIONING AND PLUMBING REQUIREMENTS.
- G12 EXTERIOR: REMOVE OLD POWER, LIGHTING, HARDWARE, GUTTERS, LEADERS, ETC. PATCH AND REPAIR REMAINING SURFACES TO SOUND CONDITION, AS REQUIRED.

A

B

C

D



**GP CONSULTING LLC**  
 62 PLATT LN MILFORD CT 06460  
 (203) 306-8780 (203) 763-9098

**42 WINDSOR PLACE**  
 CENTRAL ISLIP N.Y.

E

<b>Drawing Title:</b> PARTIAL DEMOLITION		<b>Scale:</b> 1/16"
<b>Project No.:</b> 2015/05	<b>Drawn By:</b> GP	<b>Date:</b> 06/01/15
<b>Issued:</b>		<b>Drawing No:</b> D1

F

NOTE: DO NOT SCALE DRAWINGS

Redacted pursuant to N.Y. Public Officers Law, Art. 6

A

B

C

D



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42 WINDSOR PLACE  
CENTRAL ISLIP N.Y.

Drawing Title: PROPOSED CULTIVATION FACILITY		Scale: 1/16
Project No.: 2015/05	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: A-100

E

NOTE: DO NOT SCALE DRAWINGS

F

1

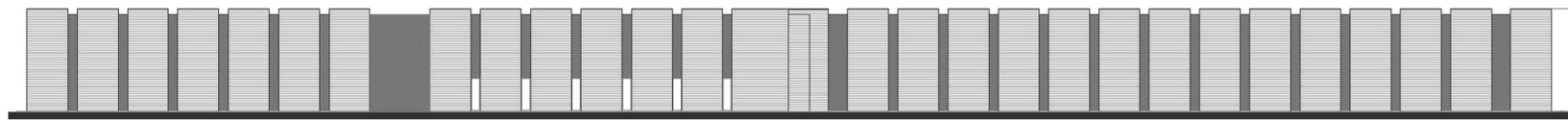
2

3

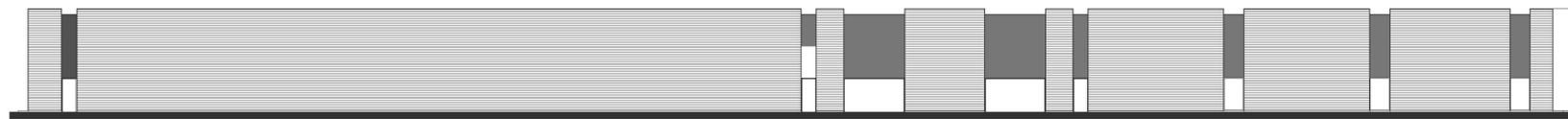
4

5

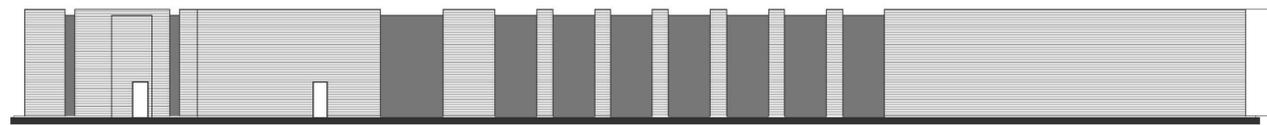
6



A 200 - PROPOSED WEST EXTERIOR ELEVATION



A 200 - PROPOSED EAST EXTERIOR ELEVATION



A 200 - PROPOSED SOUTH EXTERIOR ELEVATION



A 200 - PROPOSED NORTH EXTERIOR ELEVATION

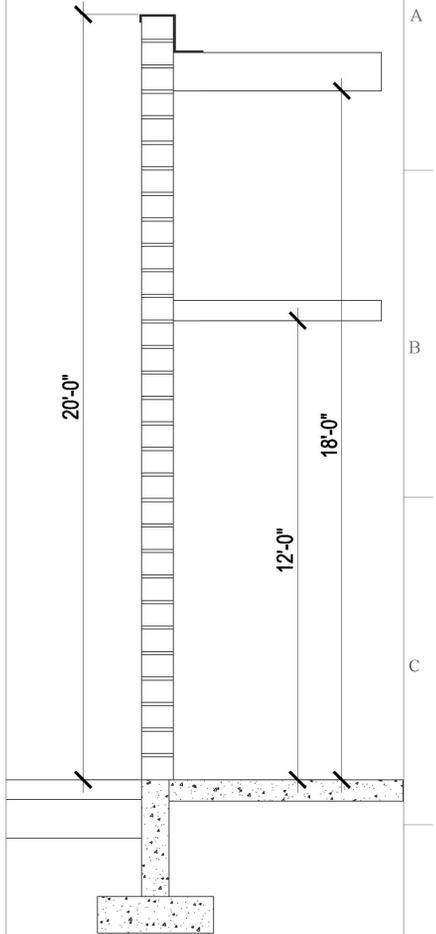


C1-300 - BUILDING SECCIONS



C2-300 - BUILDING SECCIONS

INTERIOR SECCION



**GP** ARCHITECTURAL  
 GP CONSULTING LLC  
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42 WINDSOR PLACE  
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Drawing Title: PROPOSED EXTERIOR ELEVATIONS BUILDING SECCIONS		Scale: 1/16"
Project No.: 2015/05	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: A-200/A-300

NOTE: DO NOT SCALE DRAWINGS

CONSTRUCTION AND CODE DATA

2010 BUILDING CODE OF NYS

2010 FIRE CODE OF NYS

2010 PLUMBING CODE OF NYS

2010 FUEL GAS CODE OF NYS

2010 ENERGY CONSERVATION  
CONSTRUCTION CODE OF NYS

NEC NATIONAL ELECTRIC CODE

NFPA 101-06 LIFE SAFETY CODE

ICC / ANSI A117.103 ACCESSIBLE  
USABLE BUILDING AND FAC.

BUILDING USE GROUP: F1  
CONSTRUCTION TYPE: IIB

FIRE SPRINKLER: FULLY

AREA OF BUILDING: 64,400 S.F.

OCCUPANCY LOAD : 110 MAX

MAX. TRAVEL PATH ≈ 100 FT

C

D



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42 WINDSOR PLACE  
CENTRAL ISLIP N.Y.

E

Drawing Title: PRESS PLAN AND CODE REVIEW PAGE		Scale: 1/16"
Project No.: 2015/05	Drawn By: GP	Date: 06/01/15
Issued:	Drawing No: A-600	

F

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INFO@ATLANTIC-ENG.COM

**CULTIVATION SITE**  
**42 WINDSOR PLACE**  
**CENTRAL ISLIP, NEW YORK**

**JOB NUMBER:**  
15-2433

**Date:**  
05/28/15

<b>Issued For :</b>	<b>Date :</b>

**Drawn By:** R.J.L.  
**Checked By:** J.E.O.

**Sheet Title:**  
**ELECTRICAL**  
**NOTES AND**  
**LEGEND**

**Scale:**  
AS NOTED

**Sheet Number:**  
**E-1**

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Issued For :	Date :

Drawn By: R.J.L.  
Checked By: J.E.O.

Sheet Title:  
ELECTRICAL  
RISER  
DIAGRAM

Scale:  
AS NOTED

Sheet Number:  
E-2

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Drawn By: R.J.L.  
Checked By: J.E.O.

Sheet Title:  
PARTIAL  
ELECT. PLAN  
AND LEGEND

Scale:  
AS NOTED

Sheet Number:  
**E-3**

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Checked By: J.E.C.

Sheet Title:  
PARTIAL  
ELECT. PLAN  
AND LEGEND

Scale:  
AS NOTED

Sheet Number:  
E-3

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15-2433

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Issued For :	Date :

Drawn By: R.J.L.  
Checked By: J.E.O.

Sheet Title:  
PARTIAL LIGHTING PLAN AND LEGEND

Scale:  
AS NOTED

Sheet Number:  
L-1

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Checked By: J.E.O.

Sheet Title:  
PARTIAL  
LIGHTING PLAN  
AND LEGEND

Scale:  
AS NOTED

Sheet Number:  
L-1

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05/28/15

Issued For :	Date :

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**Sheet Title:**  
LIGHTING  
PLAN

**Scale:**  
AS NOTED

**Sheet Number:**  
L-2

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05/28/15

Issued For :	Date :

Drawn By: R.J.L.  
Checked By: J.E.O.

Sheet Title:  
**MECHANICAL  
NOTES AND  
SPECIFICATION**

Scale:  
AS NOTED

Sheet Number:  
**M-1**

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Date:  
05/28/15

Issued For :	Date :

Drawn By: R.J.L.  
Checked By: J.E.O.

Sheet Title:  
MECHANICAL SCHEDULES

Scale:  
AS NOTED

Sheet Number:  
M-2

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Issued For :	Date :

Drawn By: R.J.L.  
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Sheet Title:  
MECHANICAL  
DETAILS

Scale:  
AS NOTED

Sheet Number:  
M-3

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**Date:**  
05/28/15

Issued For :	Date :

**Drawn By:** R.J.L.  
**Checked By:** J.E.O.

**Sheet Title:**  
**MECHANICAL  
PLAN**

**Scale:**  
AS NOTED

**Sheet Number:**  
**M-4**



Appendix B: Architectural Program

A SEPARATE "APPENDIX B" SHALL BE COMPLETED FOR EACH SEPARATE BUILDING AND/OR FACILITY INCLUDED IN THE ORGANIZATION'S BUSINESS PLAN

COMPANY INFORMATION

Business Name: Cannabis of America LLC d/b/a Empire Green Labs
Facility Type: Manufacturing Facility [ ] Dispensing Facility
Use and Occupancy Classification: B
Building Construction Type and Classification: II B
Facility Address: 824 Loudon Rd, Latham, NY 100 Garden City PLAZA, Garden City, NY
Primary Contact Telephone number: 914-618-2895
Primary Contact Fax number: 203-651-1065

PART I - ARCHITECTURAL PROGRAM & CONSTRUCTION TIMELINE:

Applicant shall identify planning requirements, including but not limited to:

- Checkboxes for: TOWN BOARD APPROVAL, PLANNING BOARD APPROVAL, ZONING BOARD OF APPEALS APPROVAL, PREPARATION OF CONSTRUCTION DOCUMENTS, BUILDING PERMIT, BIDDING PHASE, CONTRACT AWARD PHASE PER EACH APPLICABLE CONTRACTOR, COMMENCEMENT OF CONSTRUCTION, COMPLETION OF CONSTRUCTION



**Appendix B – Architectural Program**

**PART II – SITE PLAN(S)**

Applicant shall provide the appropriate details for each of the following by identifying the location and dimension on the Site Plan attached to the application for each building location.

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Entrance and Exits        | <input checked="" type="checkbox"/> Fire Lane and/or Fire Apparatus Road |
| <input checked="" type="checkbox"/> Public Parking Spaces     | <input checked="" type="checkbox"/> Percentage of Green Space            |
| <input checked="" type="checkbox"/> Staff Parking Spaces      | <input checked="" type="checkbox"/> Location of Emergency Power Systems  |
| <input checked="" type="checkbox"/> Accessible Parking Spaces | <input checked="" type="checkbox"/> Loading & Unloading                  |
| <input checked="" type="checkbox"/> Accessible Route(s)       | <input checked="" type="checkbox"/> Security Gates & Fences              |

**PART III – ENERGY SOURCES & ENGINEERING SYSTEMS:**

Applicant shall provide the following minimum information to outline the specifications relating to the energy sources and engineering systems of each building included in the application.

- Energy Source:
- |   |                                      |                                   |
|---|--------------------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> Natural Gas | <input type="checkbox"/> Oil         | <input type="checkbox"/> Electric |
| <input type="checkbox"/> Solar                  | <input type="checkbox"/> Other _____ |                                   |
- Engineering Systems:
- Heating System: Type \_\_\_\_\_, Size \_\_\_\_\_ Efficiency \_\_\_\_\_,  
Ventilation Requirements \_\_\_\_\_
- Cooling System: Type \_\_\_\_\_, Size \_\_\_\_\_ Efficiency \_\_\_\_\_,  
Ventilation Requirements \_\_\_\_\_
- Ventilation & Humidification Systems:  
Type \_\_\_\_\_, Size \_\_\_\_\_, Efficiency \_\_\_\_\_,  
Ventilation Requirements \_\_\_\_\_
- Electrical Distribution Available \_\_\_\_\_
- Water Supply: Municipal Water Service X or Private Well Water \_\_\_\_\_
- Sewage: Municipal Sewer System X or Private Septic System X
- Emergency Power System:  
Type GAS, Size 10 Efficiency \_\_\_\_\_



Appendix B – Architectural Program

Table with 2 columns: Compliance checkbox and Code description. Includes codes such as 2010 BUILDING CODE OF NYS, 2010 FIRE CODE OF NYS, 2010 PLUMBING CODE OF NYS, etc.



**Appendix B – Architectural Program**

<p><b>Select Project Type:</b> Check all that apply. Refer to the Existing Building Code for definitions.</p>	<input type="checkbox"/> New Building <input checked="" type="checkbox"/> Repair <input checked="" type="checkbox"/> Alteration Level 1 <input type="checkbox"/> Alteration Level 2	<input type="checkbox"/> Alteration Level 3 <input checked="" type="checkbox"/> Change of Occupancy <input type="checkbox"/> Addition <input type="checkbox"/> Historic Building	<input type="checkbox"/> Demolition <input type="checkbox"/> Chapter 3. Prescriptive Compliance Method <input type="checkbox"/> Chapter 13. Performance Compliance Method
	<p><b>Select Work Involved:</b> Check all that apply.</p> <input checked="" type="checkbox"/> General Construction <input type="checkbox"/> Roofing <input type="checkbox"/> Asbestos Abatement/Environmental <input type="checkbox"/> Fire Alarm	<input type="checkbox"/> Structural <input checked="" type="checkbox"/> Mechanical <input checked="" type="checkbox"/> Plumbing <input checked="" type="checkbox"/> Electrical	<input type="checkbox"/> Site Work <input type="checkbox"/> Sprinkler <input type="checkbox"/> Elevators <input type="checkbox"/> Other: _____

<b>CODE COMPLIANCE REVIEW</b>						
<p>Applicant shall provide all applicable information in regards to the code topic and section listed below.</p> <p>1. Code Compliance Review is based on the 2010 NY State Building Code for New Construction. If any other building code applies to the location or type of construction, provide applicable code and sections that most closely relates and references the code topic and information in the code sections listed below. Provide appropriate abbreviations for other applicable codes, such as: <b>FC: Fire Code, PC: Plumbing Code, MC: Mechanical Code, FGC: Fuel Gas Code, ECCC: Energy Conservation Code.</b></p> <p>2. Provide the Required standard for each applicable code section. (i.e.: area, quantity, classification type, materials, hourly separation, etc.). If section does not apply, indicate one of the following with explanation: <b>NA: Not Applicable, NR: Not Required, NP: Not Permitted</b></p> <p>3. Provide your facilities "Actual" value for each required standard as per applicable code section.</p>						
No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
1	Use & Occupancy Classification	302.1 - 312	NR	Use & occupancy of this facility. Identify all applicable materials, class and quantities regarding Table 307.1.	Occupancy B 307.1 N/A	Occupancy B 307.1 N/A



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
2	Combustible Storage	413	N/R	All combustible storage areas and rooms, as per applicable Building and Fire Codes. Identify all combustible stored materials, area and room dimensions, all required fire separations, and exit requirements.	N/A	N/A
3	Hazardous Materials	414	N/R	All hazardous materials stored or used as per applicable Building and Fire Codes. Identify all combustible stored materials, area and room dimensions, all required fire separations, and exit requirements.	N/A	N/A
4	Hazardous Materials Control Areas	414.2	N/R	Provide additional information indicating number, size, materials stored, and quantity of each material.	N/A	N/A
5	Building Area & Height	501-507	N/R	Provide the building area & height Provide all calculations and cite applicable code sections for increased Building Area & Heights allowed per building code(s).	Max. H= 2 Story Max. Area= 40,000 sf	Existing = 1 Story Existing = 4920 sf
6	Incidental Use Areas	508.2	N/R	Identify all Incidental Use Areas and required fire separation of occupancies on Building Plans.	N/A	N/A



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
7	Mixed Occupancies	508.3	N/R	Provide analysis with code cited, and required fire separation of occupancies. Identify required fire separation of occupancies on Building Plan(s).	N/A	N/A
8	Nonseparated Uses	508.3.2	N/R	Provide analysis with code cited, and required fire separation of occupancies. Identify required fire separation of occupancies on Building Plan(s).	N/A	N/A
9	Separated Uses (Ratio < 1)	508.3.3	NR	Provide analysis with code cited, and required fire separation of occupancies. Identify required fire separation of occupancies on Building Plan(s).	One hour fire sep. wall	One hour fire sep. wall
10	Construction Classification	602	NR	Provide Construction Classification per each building included in Application.	II B	II B
11	Fire Resistance Rating Req'm't for Building Elements	Table 601	NR	Provide Fire Resistance Rating per each building element as per Table 601. Identify rating & elements on Building Plans.	Bearing walls = 0 Roof = 0	Bearing walls = 0 Roof = 0



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
12	Exterior Wall Fire-Resistance Rating	Table 602	N/R	Identify required fire resistance rating of exterior walls on Building Plan(s).	One hour rated wall	One hour rated wall
13	Exterior Fire Separation Distance	Table 602	N/R	Identify required fire separation distance of exterior walls between Buildings on Plan.	5 < x < 10 required	
14	Fire Walls	705	N/R	Provide code information and identify all applicable required Fire Wall(s) and fire resistance requirement on Building Plans.	N/A	N/A
15	Fire Barriers	706	N/R	Provide code information and identify all applicable required Fire Barrier(s) and fire resistance requirement on Building Plans.	One hour Partition Wall 45 Min Rated Doors	One hour Partition Wall 45 Min Rated Doors
16	Shaft Enclosures	707	N/R	Provide code information and identify all applicable required Shaft Wall(s) and fire resistance requirement on Building Plans.	One hour Partition Wall 45 Min Rated Doors	One hour Partition Wall 45 Min Rated Doors
17	Fire Partitions	708	N/R	Provide code information and identify all applicable required Fire Partition(s) and fire resistance requirement on Building Plans.	One hour Partition Wall 45 Min Rated Doors	One hour Partition Wall 45 Min Rated Doors



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
18	Horizontal Assemblies	711	N/R	Provide code information and identify all applicable required Horizontal Assemblies and fire resistance requirement on Building Plans.	N/A	N/A
19	Fire Protection: Sprinkler System	903	N/R	Indicate Type of Sprinkler System: <input type="checkbox"/> NFPA 13 <input type="checkbox"/> NFPA 13 R <input type="checkbox"/> NFPA 13D Provide code information of all applicable requirements for Automatic Sprinkler Systems with code section cited.	501. NYS B.C. 902. NYS B.C.	Meet Requirements
20	Alt. Fire Extinguishing System	904	N/R	Provide code information of all applicable requirements for Alternative Automatic Fire-Extinguishing Systems with code section(s) cited.	N/A	N/A
21	Standpipe System	905	N/R	Provide code information of all applicable requirements for Standpipe Systems with code section(s) cited.	N/A	N/A
22	Fire Alarm & Detection Systems	907	N/R	Provide code information of all applicable requirements for Fire Alarm System(s) with code section cited. Indicate Type of Fire Alarm System <input type="checkbox"/> Addressable <input type="checkbox"/> Hardwired (zoned)	Per Local Fire Marshal	Per Local Fire Marshal



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
23	Emergency Alarm System	908	N/R	Provide code information of all applicable requirements for Emergency Alarm Systems with code section cited.	N/A	N/A
24	Fire Department Connections	912	N/R	Identify Fire Department connections in accordance with NFPA applicable standard.	N/A	N/A
25	Exits	1001.1 & 2	N/R	Identify on the Building Plans and documents, per each door, the following information: door width, door height, direction of swing, type of construction, hourly rating, and door closures.	45 Min. Rated Doors Single Door Min. 36" Double Doors Min 6'-0"	45 Min. Rated Doors Single Door Min. 36" Double Doors Min 6'-0"
26	Occupant Load	1004 & Table 1004.1.1	N/R	Identify the use/name of each room, dimensions of each room, and Occupant Loads per each room on the Building Plans.	Based on table 1004.1	Max allowed 110
27	Egress Width	1005	N/R	Provide egress widths & cite applicable code section(s) and requirement(s) on the Building Plans	Based on table 1005.1	Meet requirements
28	Accessible Means of Egress	1007.1	N/R	Provide accessible means of egress as per Section 1007 & cite applicable code section(s) and requirement(s) on the Building Plans.	Min 2 accessible mean of egress per floor	Total 4 accessible mean of egress



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
29	Doors, Gates, and Turnstiles	1008	N/R	Means of egress doors shall meet the requirements of this section.	Min (2) 36" doors	Meet Requirements
30	Interior Stairs	1009	N/R	Identify the following information for each stairway on the Building Plan(s): the width of stairways; the height, width, depth and number of risers and treads; dimensions of landings; stairway construction type; and handrail height.	Min width = 44" Max R= 7" Min T= 11"	Meet Requirements
31	Ramps	1010.1	N/R	Identify the following information of each ramp, on the Building Plan(s): width; total vertical rise; length of ramp; and handrail height.	N/A	N/A
32	Common Path of Travel	1014.3	N/R	Identify on the Building Plan(s): the length of the "Common Path of Travel" per each room as per applicable building code requirements.	Max travel path = 75 ft	Meet Requirements
33	Exit Doorway Arrangement	1015	N/R	Identify on the Building Plan(s): applicable building code requirements for all Exits and Exit Access Doorways per each room and required exits in all buildings.	One third of the length of the building	Meet requirements
34	Corridor Fire Rating	1017.1	N/R	Identify, on the Building Plan(s): all corridors with required fire resistance and the applicable fire rating.	N/A	N/A



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
35	Corridor Width	1017.2	N/R	Identify on the Building Plan(s): the width of all corridors. Provide applicable code section(s) and requirement(s).	44" Min,	N/A
36	Dead End Corridor	1017.3	N/R	Corridors shall not exceed the maximum dead end corridor length as per applicable code.	Max. 20FT	No dead en corridors on the building
37	Number of Exits and Continuity	1019	N/R	Identify on the Building Plan(s): required number of exits, continuity and arrangement as per the applicable code requirements.	Min, 2 exits	Meet requirements
38	Vertical Exit Enclosures	1020	N/R	Identify on the Building Plan(s): all applicable code requirements for each Vertical Exit Enclosure.	44" Min Width	Meet Requirements
39	Exit Passageways	1021	N/R	Identify on the Building Plan(s): all applicable code requirements for each Exit Passageway.	N/A	N/A
40	Horizontal Exits	1022	N/R	Identify on the Building Plan(s): all applicable code requirements for each Horizontal Exit.	N/A	N/A



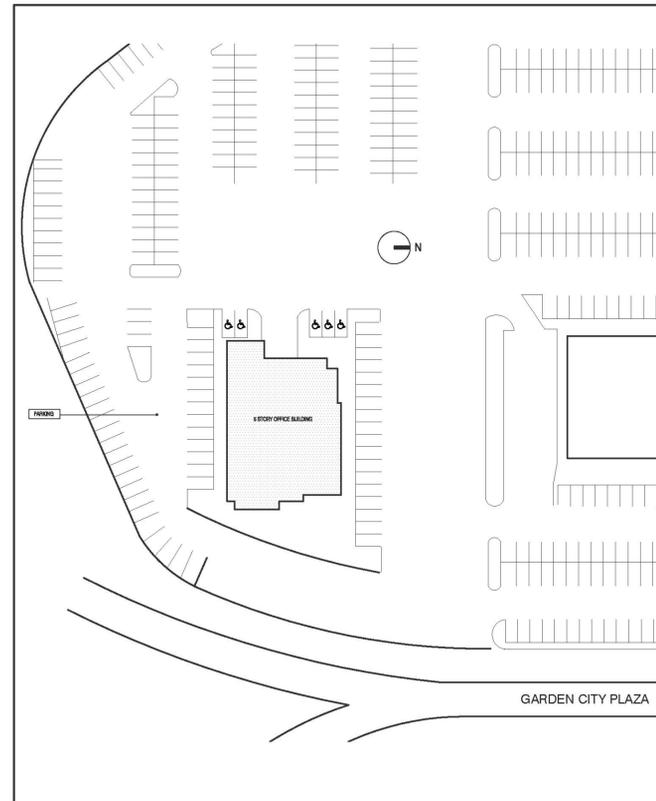
**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
41	Exterior Exit Ramps & Stairways	1023	N/R	Identify on the Building Plan(s): all applicable code requirements for each exterior exit ramps and stairways.	N/A	N/A
42	Exit Discharge	1024	N/R	Identify on the Building Plan(s): all applicable code requirements for each Exit Discharge.	See Plan	See Plan
43	Accessibility	1101.1 - 1110 & ICC/A117.1(03)	N/R	Identify on the Building Plan(s): all applicable code requirements such that the design and construction of each building/facility provides accessibility to physically disabled persons.	See Plan	See Plan
44	Energy Conservation	2010 NYS ECCC & IECC 2012	N/R	Identify the R-Value and U-Value of each construction component and assembly of the building envelope as required in the applicable energy and building code(s).	Exterior Walls R21 Roof: R38	Exterior Wall R21 Roof R 38
45	Emergency & Standby Power	2702.1	N/R	Identify emergency & Standby Power locations and specifications of the system to be provided.	Generator	Generator
46	Smoke Control Systems	2702.2.2	N/R	Identify the Standby power for smoke control systems in accordance with Section 909.11 of NYS Building Code.	Generator	Generator



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
47	Plumbing Fixture Count	2902.1	N/R	Identify on the Building Plan(s): the minimum plumbing facilities as per applicable plumbing code(s).	Chart 2902.1	Meet Requirement
48	Available Street Water Pressure		N/R	Provide the available street or well water pressure.	N/A	90 psi
49	Fire Apparatus Access Road	FC503.1	N/R	Identify on the Site Plan: Fire Apparatus Road, Fire Lane and other Fire Service requirements per applicable Building and Fire Codes.	N/A	N/A



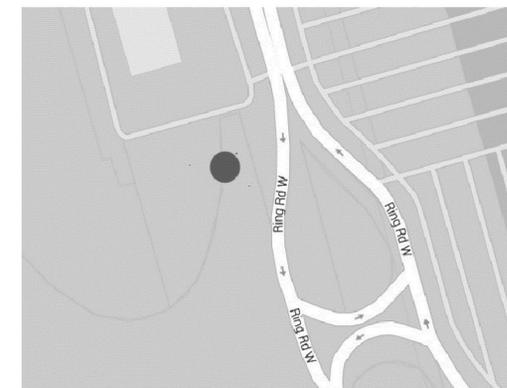
## DISPENSARY

# 100 GARDEN CITY PLAZA

GARDEN CITY, NY

### LIST OF DRAWINGS:

- T1 COVER SHEET
- S-1 ARCHITECTURAL SITE PLAN
- A-100 FIRST FLOOR
- A-600 EGRESS AND CODE REVIEW



#### GENERAL NOTES

1. Intent of documents is to show new construction only. Provide all required demolition and remove only those existing items as required to accomplish the new construction as shown. Retain or relocate those items not shown removed or where called for to be relocated.
2. Existing drawings shall not be deemed to show all existing conditions and shall not substitute for field visits, they are only to aid in the understanding of the new work.
3. Verify all field conditions prior to execution of the work and notify the Architect if there are discrepancies or unsatisfactory existing conditions.
4. Provide all temporary bracing, shoring, forms, etc. Provide all required temporary enclosures to protect the new and existing construction materials and equipment from the weather and to protect the unaltered area from the dust and dirt of construction.
5. The contractor shall repair at his own expense any damages occurring from the new work due to exposure to weather or his manners or methods of construction.
6. For all guarantees and warranties see the specifications.
7. Provide all required cutting, fitting, and patching for the mechanical and electrical trades.
8. Provide all miscellaneous rough and finish carpentry, headers, lintels, blocking, furring, trimming etc. as might be required.
9. All dimensions shown are to rough surfaces not finished, unless otherwise noted.
10. Provide all required plumbing, vent and electrical connections for all appliances.
11. All work shall conform to local, state and national codes.



**GP CONSULTING LLC**  
 62 PLATT LN MILFORD CT 06460  
 (203) 306-8780 (203) 763-9098

### 100 GARDEN CITY PLAZA GARDEN CITY - NY

Drawing Title: COVER SHEET		Scale: NA
Project No.: 2015-09	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: T1

NOTE: DO NOT SCALE DRAWINGS

1

2

3

4

5

6

A

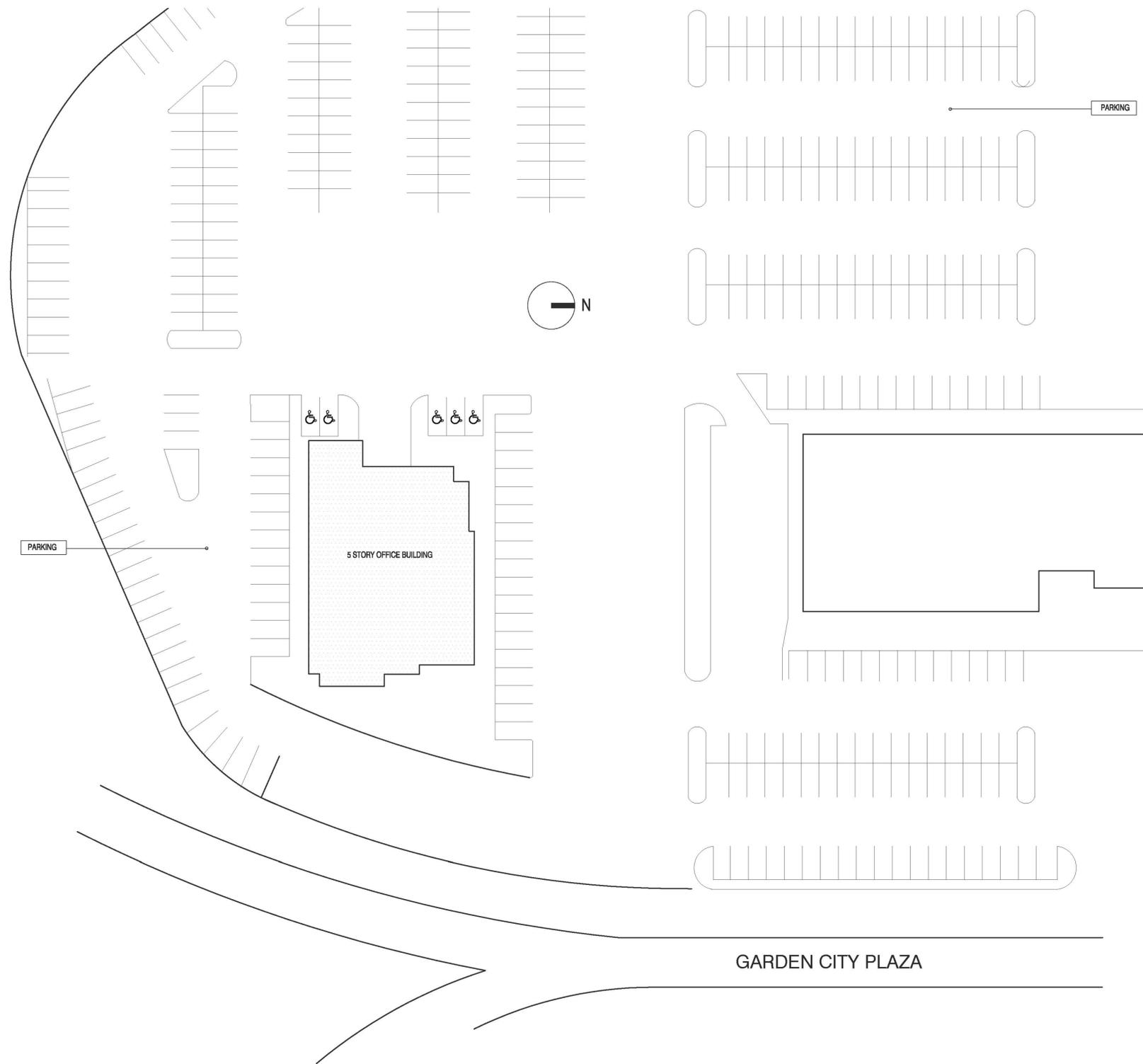
B

C

D

E

F



**GP CONSULTING LLC**  
 62 PLATT LN MILFORD CT 06460  
 (203) 306-8780 (203) 763-9098

**100 GARDEN CITY PLAZA  
 GARDEN CITY - NY**

Drawing Title: SITE PLAN		Scale: 1/20
Project No.: 2015-09	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No.: <b>S-1</b>

NOTE: DO NOT SCALE DRAWINGS

1 2 3 4 5 6  
Redacted pursuant to N.Y. Public Officers Law, Art. 6



GP CONSULTING LLC  
62 PLATT LN MILFORD CT 06460  
(203) 306-8780 (203) 763-9098

100 GARDEN CITY PLAZA  
GARDEN CITY - NY

Drawing Title: RST FLOOR		Scale: 1/4"
Object No.:	Drawn By:	Date:
2015-09	GP	06/01/15
Drawing No.:		A-100

NOTE: DO NOT SCALE DRAWINGS

**CONSTRUCTION AND CODE DATA**

2010 BUILDING CODE OF NYS  
2010 FIRE CODE OF NYS  
2010 PLUMBING CODE OF NYS  
2010 FUEL GAS CODE OF NYS  
2010 ENERGY CONSERVATION  
CONSTRUCTION CODE OF NYS  
NEC NATIONAL ELECTRIC CODE  
NFPA 101-06 LIFE SAFETY CODE  
ICC / ANSI A117.103 ACCESSIBLE  
USABLE BUILDING AND FACILITIES

BUILDING USE GROUP: B  
CONSTRUCTION TYPE: IIB  
FIRE SPRINKLER: NONE  
AREA OF BUILDING: 2,244 S.F.

OCCUPANCY LOAD FOR B USE BUILDING: 100 GROSS SF PER PERSON  
TOTAL AREA / 100 = MAX OCCUPANTS  
2244,98 / 100 = 22 MAX OCCUPANTS

MAX. TRAVEL PATH BY CODE = 75 FT



**GP CONSULTING LLC**  
62 PLATT LN MILFORD CT 06460  
(203) 306-8780 (203) 763-9098

**100 GARDEN CITY PLAZA  
GARDEN CITY - NY**

wing Title: EGRESS PLAN AND CODE		Scale: 1/4"
Project No.:	Drawn By:	Date:
2015-09	GP	06/01/15
Drawing No.:		<b>A-600</b>

NOTE: DO NOT SCALE DRAWINGS



Appendix B: Architectural Program

A SEPARATE "APPENDIX B" SHALL BE COMPLETED FOR EACH SEPARATE BUILDING AND/OR FACILITY INCLUDED IN THE ORGANIZATION'S BUSINESS PLAN

COMPANY INFORMATION

Business Name: Cannabis of America LLC d/b/a Empire Green Labs
Facility Type: Manufacturing Facility [ ] Dispensing Facility
Use and Occupancy Classification: B
Building Construction Type and Classification: II B
Facility Address: 824 Loudon Rd, Latham, NY 129 COURT ST. WHITE PLAINS, NY 10601
Primary Contact Telephone number: 914-618-2895
Primary Contact Fax number: 203-651-1065

PART I - ARCHITECTURAL PROGRAM & CONSTRUCTION TIMELINE:

Applicant shall identify planning requirements, including but not limited to:

- Checkboxes for: TOWN BOARD APPROVAL, PLANNING BOARD APPROVAL, ZONING BOARD OF APPEALS APPROVAL, PREPARATION OF CONSTRUCTION DOCUMENTS, BUILDING PERMIT, BIDDING PHASE, CONTRACT AWARD PHASE PER EACH APPLICABLE CONTRACTOR, COMMENCEMENT OF CONSTRUCTION, COMPLETION OF CONSTRUCTION



**Appendix B – Architectural Program**

**PART II – SITE PLAN(S)**

Applicant shall provide the appropriate details for each of the following by identifying the location and dimension on the Site Plan attached to the application for each building location.

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Entrance and Exits        | <input checked="" type="checkbox"/> Fire Lane and/or Fire Apparatus Road |
| <input checked="" type="checkbox"/> Public Parking Spaces     | <input checked="" type="checkbox"/> Percentage of Green Space            |
| <input checked="" type="checkbox"/> Staff Parking Spaces      | <input checked="" type="checkbox"/> Location of Emergency Power Systems  |
| <input checked="" type="checkbox"/> Accessible Parking Spaces | <input checked="" type="checkbox"/> Loading & Unloading                  |
| <input checked="" type="checkbox"/> Accessible Route(s)       | <input checked="" type="checkbox"/> Security Gates & Fences              |

**PART III – ENERGY SOURCES & ENGINEERING SYSTEMS:**

Applicant shall provide the following minimum information to outline the specifications relating to the energy sources and engineering systems of each building included in the application.

- Energy Source:
- |   |                                      |                                   |
|---|--------------------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> Natural Gas | <input type="checkbox"/> Oil         | <input type="checkbox"/> Electric |
| <input type="checkbox"/> Solar                  | <input type="checkbox"/> Other _____ |                                   |
- Engineering Systems:
- Heating System: Type \_\_\_\_\_, Size \_\_\_\_\_ Efficiency \_\_\_\_\_,  
Ventilation Requirements \_\_\_\_\_
- Cooling System: Type \_\_\_\_\_, Size \_\_\_\_\_ Efficiency \_\_\_\_\_,  
Ventilation Requirements \_\_\_\_\_
- Ventilation & Humidification Systems:  
Type \_\_\_\_\_, Size \_\_\_\_\_, Efficiency \_\_\_\_\_,  
Ventilation Requirements \_\_\_\_\_
- Electrical Distribution Available \_\_\_\_\_
- Water Supply: Municipal Water Service X or Private Well Water \_\_\_\_\_
- Sewage: Municipal Sewer System X or Private Septic System X
- Emergency Power System:  
Type GAS, Size 10 Efficiency \_\_\_\_\_



Appendix B – Architectural Program

Table with 2 columns: Compliance checkbox and Code description. Includes codes like 2010 BUILDING CODE OF NYS, 2010 FIRE CODE OF NYS, etc.



**Appendix B – Architectural Program**

<p><b>Select Project Type:</b> Check all that apply. Refer to the Existing Building Code for definitions.</p>	<input type="checkbox"/> New Building <input checked="" type="checkbox"/> Repair <input checked="" type="checkbox"/> Alteration Level 1 <input type="checkbox"/> Alteration Level 2	<input type="checkbox"/> Alteration Level 3 <input checked="" type="checkbox"/> Change of Occupancy <input type="checkbox"/> Addition <input type="checkbox"/> Historic Building	<input type="checkbox"/> Demolition <input type="checkbox"/> Chapter 3. Prescriptive Compliance Method <input type="checkbox"/> Chapter 13. Performance Compliance Method
	<p><b>Select Work Involved:</b> Check all that apply.</p> <input checked="" type="checkbox"/> General Construction <input type="checkbox"/> Roofing <input type="checkbox"/> Asbestos Abatement/Environmental <input type="checkbox"/> Fire Alarm	<input type="checkbox"/> Structural <input checked="" type="checkbox"/> Mechanical <input checked="" type="checkbox"/> Plumbing <input checked="" type="checkbox"/> Electrical	<input type="checkbox"/> Site Work <input type="checkbox"/> Sprinkler <input type="checkbox"/> Elevators <input type="checkbox"/> Other: _____

<b>CODE COMPLIANCE REVIEW</b>						
<p>Applicant shall provide all applicable information in regards to the code topic and section listed below.</p> <p>1. Code Compliance Review is based on the 2010 NY State Building Code for New Construction. If any other building code applies to the location or type of construction, provide applicable code and sections that most closely relates and references the code topic and information in the code sections listed below. Provide appropriate abbreviations for other applicable codes, such as: <b>FC: Fire Code, PC: Plumbing Code, MC: Mechanical Code, FGC: Fuel Gas Code, ECCC: Energy Conservation Code.</b></p> <p>2. Provide the Required standard for each applicable code section. (i.e.: area, quantity, classification type, materials, hourly separation, etc.). If section does not apply, indicate one of the following with explanation: <b>NA: Not Applicable, NR: Not Required, NP: Not Permitted</b></p> <p>3. Provide your facilities "Actual" value for each required standard as per applicable code section.</p>						
No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
1	Use & Occupancy Classification	302.1 - 312	NR	Use & occupancy of this facility. Identify all applicable materials, class and quantities regarding Table 307.1.	Occupancy B 307.1 N/A	Occupancy B 307.1 N/A



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
2	Combustible Storage	413	N/R	All combustible storage areas and rooms, as per applicable Building and Fire Codes. Identify all combustible stored materials, area and room dimensions, all required fire separations, and exit requirements.	N/A	N/A
3	Hazardous Materials	414	N/R	All hazardous materials stored or used as per applicable Building and Fire Codes. Identify all combustible stored materials, area and room dimensions, all required fire separations, and exit requirements.	N/A	N/A
4	Hazardous Materials Control Areas	414.2	N/R	Provide additional information indicating number, size, materials stored, and quantity of each material.	N/A	N/A
5	Building Area & Height	501-507	N/R	Provide the building area & height Provide all calculations and cite applicable code sections for increased Building Area & Heights allowed per building code(s).	Max. H= 2 Story Max. Area= 40,000 sf	Existing = 1 Story Existing = 4920 sf
6	Incidental Use Areas	508.2	N/R	Identify all Incidental Use Areas and required fire separation of occupancies on Building Plans.	N/A	N/A



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
7	Mixed Occupancies	508.3	N/R	Provide analysis with code cited, and required fire separation of occupancies. Identify required fire separation of occupancies on Building Plan(s).	N/A	N/A
8	Nonseparated Uses	508.3.2	N/R	Provide analysis with code cited, and required fire separation of occupancies. Identify required fire separation of occupancies on Building Plan(s).	N/A	N/A
9	Separated Uses (Ratio < 1)	508.3.3	NR	Provide analysis with code cited, and required fire separation of occupancies. Identify required fire separation of occupancies on Building Plan(s).	One hour fire sep. wall	One hour fire sep. wall
10	Construction Classification	602	NR	Provide Construction Classification per each building included in Application.	II B	II B
11	Fire Resistance Rating Reqmt for Building Elements	Table 601	NR	Provide Fire Resistance Rating per each building element as per Table 601. Identify rating & elements on Building Plans.	Bearing walls = 0 Roof = 0	Bearing walls = 0 Roof = 0



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
12	Exterior Wall Fire-Resistance Rating	Table 602	N/R	Identify required fire resistance rating of exterior walls on Building Plan(s).	One hour rated wall	One hour rated wall
13	Exterior Fire Separation Distance	Table 602	N/R	Identify required fire separation distance of exterior walls between Buildings on Plan.	5 < x < 10 required	
14	Fire Walls	705	N/R	Provide code information and identify all applicable required Fire Wall(s) and fire resistance requirement on Building Plans.	N/A	N/A
15	Fire Barriers	706	N/R	Provide code information and identify all applicable required Fire Barrier(s) and fire resistance requirement on Building Plans.	One hour Partition Wall 45 Min Rated Doors	One hour Partition Wall 45 Min Rated Doors
16	Shaft Enclosures	707	N/R	Provide code information and identify all applicable required Shaft Wall(s) and fire resistance requirement on Building Plans.	One hour Partition Wall 45 Min Rated Doors	One hour Partition Wall 45 Min Rated Doors
17	Fire Partitions	708	N/R	Provide code information and identify all applicable required Fire Partition(s) and fire resistance requirement on Building Plans.	One hour Partition Wall 45 Min Rated Doors	One hour Partition Wall 45 Min Rated Doors



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
18	Horizontal Assemblies	711	N/R	Provide code information and identify all applicable required Horizontal Assemblies and fire resistance requirement on Building Plans.	N/A	N/A
19	Fire Protection: Sprinkler System	903	N/R	Indicate Type of Sprinkler System: <input type="checkbox"/> NFPA 13 <input type="checkbox"/> NFPA 13 R <input type="checkbox"/> NFPA 13D Provide code information of all applicable requirements for Automatic Sprinkler Systems with code section cited.	501. NYS B.C. 902. NYS B.C.	Meet Requirements
20	Alt. Fire Extinguishing System	904	N/R	Provide code information of all applicable requirements for Alternative Automatic Fire-Extinguishing Systems with code section(s) cited.	N/A	N/A
21	Standpipe System	905	N/R	Provide code information of all applicable requirements for Standpipe Systems with code section(s) cited.	N/A	N/A
22	Fire Alarm & Detection Systems	907	N/R	Provide code information of all applicable requirements for Fire Alarm System(s) with code section cited. Indicate Type of Fire Alarm System <input type="checkbox"/> Addressable <input type="checkbox"/> Hardwired (zoned)	Per Local Fire Marshal	Per Local Fire Marshal



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
23	Emergency Alarm System	908	N/R	Provide code information of all applicable requirements for Emergency Alarm Systems with code section cited.	N/A	N/A
24	Fire Department Connections	912	N/R	Identify Fire Department connections in accordance with NFPA applicable standard.	N/A	N/A
25	Exits	1001.1 & 2	N/R	Identify on the Building Plans and documents, per each door, the following information: door width, door height, direction of swing, type of construction, hourly rating, and door closures.	45 Min. Rated Doors Single Door Min. 36" Double Doors Min 6'-0"	45 Min. Rated Doors Single Door Min. 36" Double Doors Min 6'-0"
26	Occupant Load	1004 & Table 1004.1.1	N/R	Identify the use/name of each room, dimensions of each room, and Occupant Loads per each room on the Building Plans.	Based on table 1004.1	Max allowed 110
27	Egress Width	1005	N/R	Provide egress widths & cite applicable code section(s) and requirement(s) on the Building Plans	Based on table 1005.1	Meet requirements
28	Accessible Means of Egress	1007.1	N/R	Provide accessible means of egress as per Section 1007 & cite applicable code section(s) and requirement(s) on the Building Plans.	Min 2 accessible mean of egress per floor	Total 4 accessible mean of egress



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
29	Doors, Gates, and Turnstiles	1008	N/R	Means of egress doors shall meet the requirements of this section.	Min (2) 36" doors	Meet Requirements
30	Interior Stairs	1009	N/R	Identify the following information for each stairway on the Building Plan(s): the width of stairways; the height, width, depth and number of risers and treads; dimensions of landings; stairway construction type; and handrail height.	Min width = 44" Max R= 7" Min T= 11"	Meet Requirements
31	Ramps	1010.1	N/R	Identify the following information of each ramp, on the Building Plan(s): width; total vertical rise; length of ramp; and handrail height.	N/A	N/A
32	Common Path of Travel	1014.3	N/R	Identify on the Building Plan(s): the length of the "Common Path of Travel" per each room as per applicable building code requirements.	Max travel path = 75 ft	Meet Requirements
33	Exit Doorway Arrangement	1015	N/R	Identify on the Building Plan(s): applicable building code requirements for all Exits and Exit Access Doorways per each room and required exits in all buildings.	One third of the length of the building	Meet requirements
34	Corridor Fire Rating	1017.1	N/R	Identify, on the Building Plan(s): all corridors with required fire resistance and the applicable fire rating.	N/A	N/A



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
35	Corridor Width	1017.2	N/R	Identify on the Building Plan(s): the width of all corridors. Provide applicable code section(s) and requirement(s).	44" Min,	N/A
36	Dead End Corridor	1017.3	N/R	Corridors shall not exceed the maximum dead end corridor length as per applicable code.	Max. 20FT	No dead en corridors on the building
37	Number of Exits and Continuity	1019	N/R	Identify on the Building Plan(s): required number of exits, continuity and arrangement as per the applicable code requirements.	Min, 2 exits	Meet requirements
38	Vertical Exit Enclosures	1020	N/R	Identify on the Building Plan(s): all applicable code requirements for each Vertical Exit Enclosure.	44" Min Width	Meet Requirements
39	Exit Passageways	1021	N/R	Identify on the Building Plan(s): all applicable code requirements for each Exit Passageway.	N/A	N/A
40	Horizontal Exits	1022	N/R	Identify on the Building Plan(s): all applicable code requirements for each Horizontal Exit.	N/A	N/A



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
41	Exterior Exit Ramps & Stairways	1023	N/R	Identify on the Building Plan(s): all applicable code requirements for each exterior exit ramps and stairways.	N/A	N/A
42	Exit Discharge	1024	N/R	Identify on the Building Plan(s): all applicable code requirements for each Exit Discharge.	See Plan	See Plan
43	Accessibility	1101.1 - 1110 & ICC/A117.1(03)	N/R	Identify on the Building Plan(s): all applicable code requirements such that the design and construction of each building/facility provides accessibility to physically disabled persons.	See Plan	See Plan
44	Energy Conservation	2010 NYS ECCC & IECC 2012	N/R	Identify the R-Value and U-Value of each construction component and assembly of the building envelope as required in the applicable energy and building code(s).	Exterior Walls R21 Roof: R38	Exterior Wall R21 Roof R 38
45	Emergency & Standby Power	2702.1	N/R	Identify emergency & Standby Power locations and specifications of the system to be provided.	Generator	Generator
46	Smoke Control Systems	2702.2.2	N/R	Identify the Standby power for smoke control systems in accordance with Section 909.11 of NYS Building Code.	Generator	Generator



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
47	Plumbing Fixture Count	2902.1	N/R	Identify on the Building Plan(s): the minimum plumbing facilities as per applicable plumbing code(s).	Chart 2902.1	Meet Requirement
48	Available Street Water Pressure		N/R	Provide the available street or well water pressure.	N/A	90 psi
49	Fire Apparatus Access Road	FC503.1	N/R	Identify on the Site Plan: Fire Apparatus Road, Fire Lane and other Fire Service requirements per applicable Building and Fire Codes.	N/A	N/A



# DISPENSARY 129 COURT STREET

WHITE PLAINS, NY

LIST OF DRAWINGS:

- T1 COVER SHEET
- S-1 ARCHITECTURAL SITE PLAN
- A-100 FIRST FLOOR PLAN
- A-101 SECOND FLOOR PLAN
- A-600 EGRESS PLAN AND CODE



LOCATION MAP

**GENERAL NOTES**

1. Intent of documents is to show new construction only. Provide all required demolition and remove only those existing items as required to accomplish the new construction as shown. Retain or relocate those items not shown removed or where called for to be relocated.
2. Existing drawings shall not be deemed to show all existing conditions and shall not substitute for field visits, they are only to aid in the understanding of the new work.
3. Verify all field conditions prior to execution of the work and notify the Architect if there are discrepancies or unsatisfactory existing conditions.
4. Provide all temporary bracing, shoring, forms, etc. Provide all required temporary enclosures to protect the new and existing construction materials and equipment from the weather and to protect the unaltered area from the dust and dirt of construction.
5. The contractor shall repair at his own expense any damages occurring from the new work due to exposure to weather or his manners or methods of construction.
6. For all guarantees and warranties see the specifications.
7. Provide all required cutting, fitting, and patching for the mechanical and electrical trades.
8. Provide all miscellaneous rough and finish carpentry, headers, lintels, blocking, furring, trimming etc. as might be required.
9. All dimensions shown are to rough surfaces not finished, unless otherwise noted.
10. Provide all required plumbing, vent and electrical connections for all appliances.
11. All work shall conform to local, state and national codes.

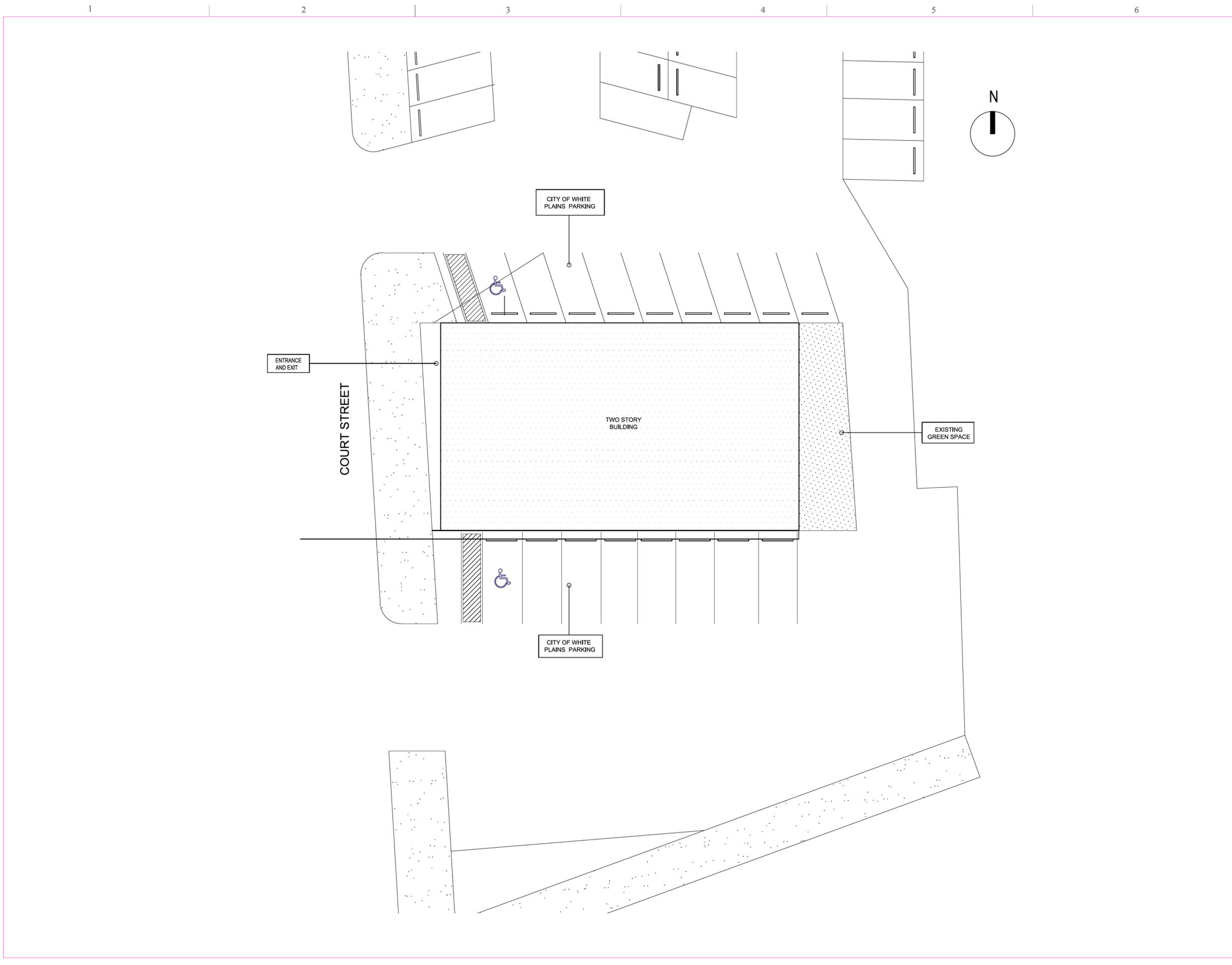
**GP** **GP CONSULTING LLC**  
 62 PLATT LN MILFORD CT 06460  
 (203) 306-8780 (203) 763-9098

**129 COURT STREET**  
 WHITEPLAINS, NY

Drawing Title: COVER PAGE		Scale: NA
Project No.: 2015-06	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: T1

NOTE: DO NOT SCALE DRAWINGS

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**GP CONSULTING LLC**  
 62 PLATT LN MILFORD CT 06460  
 (203) 306-8780 (203) 763-9098

**129 COURT STREET**  
 WHITEPLAINS, NY

Drawing Title: SITE PLAN		Scale: 1/10
Project No.: 2015-06	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: <b>S-1</b>

NOTE: DO NOT SCALE DRAWINGS

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(203) 306-8780 (203) 763-9098

129 COURT STREET  
WHITEPLAINS, NY

Drawing Title: FIRST FLOOR PLAN		Scale: 1/4"
Project No.:	Drawn By:	Date:
2015-06	GP	06/01/15
Issued:		Drawing No: <b>A-100</b>

NOTE: DO NOT SCALE DRAWINGS

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GP CONSULTING LLC  
62 PLATT LN MILFORD CT 06460  
(203) 306-8780 (203) 763-9098

129 COURT STREET  
WHITEPLAINS, NY

Drawing Title: SECOND FLOOR PLAN		Scale: 1/4"
Project No.: 2015-06	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: A-100

NOTE: DO NOT SCALE DRAWINGS

CONSTRUCTION AND CODE DATA

2010 BUILDING CODE OF NYS

2010 FIRE CODE OF NYS

2010 PLUMBING CODE OF NYS

2010 FUEL GAS CODE OF NYS

2010 ENERGY CONSERVATION  
CONSTRUCTION CODE OF NYS

NEC NATIONAL ELECTRIC CODE

NFPA 101-06 LIFE SAFETY CODE

ICC / ANSI A117.103 ACCESSIBLE  
USABLE BUILDING AND FACILITIES

BUILDING USE : B

CONSTRUCTION TYPE: IIB

FIRE SPRINKLER: NONE

AREA OF THE BUILDING: 3892 SF

A

B

OCCUPANCY LOAD FOR B USE BUILDING: 100  
GROSS SF PER PERSON

TOTAL AREA / 100 = MAX OCCUPANTS

3893 / 100 = 39 MAX OCCUPANTS

MAX TRAVEL PATH BY CODE = 75 FT

C

D



**129 COURT STREET**  
WHITEPLAINS, NY

E

Drawing Title: GROSS PLAN AND CODE		Scale: 1/4"
Project No.:	Drawn By:	Date:
2015-06	GP	06/01/15
Issued:		Drawing No: <b>A-100</b>

F

NOTE: DO NOT SCALE DRAWINGS



Appendix B: Architectural Program

A SEPARATE "APPENDIX B" SHALL BE COMPLETED FOR EACH SEPARATE BUILDING AND/OR FACILITY INCLUDED IN THE ORGANIZATION'S BUSINESS PLAN

COMPANY INFORMATION

Business Name: Cannabis of America LLC d/b/a Empire Green Labs
Facility Type: Manufacturing Facility [ ] Dispensing Facility
Use and Occupancy Classification: B
Building Construction Type and Classification: II B
Facility Address: 824 Loudon Rd, Latham, NY 248 South Ave, Poughkeepsie, NY 12601
Primary Contact Telephone number: 914-618-2895
Primary Contact Fax number: 203-651-1065

PART I - ARCHITECTURAL PROGRAM & CONSTRUCTION TIMELINE:

Applicant shall identify planning requirements, including but not limited to:

- Checkboxes for: TOWN BOARD APPROVAL, PLANNING BOARD APPROVAL, ZONING BOARD OF APPEALS APPROVAL, PREPARATION OF CONSTRUCTION DOCUMENTS, BUILDING PERMIT, BIDDING PHASE, CONTRACT AWARD PHASE PER EACH APPLICABLE CONTRACTOR (Identify all that apply), COMMENCEMENT OF CONSTRUCTION, COMPLETION OF CONSTRUCTION



**Appendix B – Architectural Program**

**PART II – SITE PLAN(S)**

Applicant shall provide the appropriate details for each of the following by identifying the location and dimension on the Site Plan attached to the application for each building location.

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Entrance and Exits        | <input checked="" type="checkbox"/> Fire Lane and/or Fire Apparatus Road |
| <input checked="" type="checkbox"/> Public Parking Spaces     | <input checked="" type="checkbox"/> Percentage of Green Space            |
| <input checked="" type="checkbox"/> Staff Parking Spaces      | <input checked="" type="checkbox"/> Location of Emergency Power Systems  |
| <input checked="" type="checkbox"/> Accessible Parking Spaces | <input checked="" type="checkbox"/> Loading & Unloading                  |
| <input checked="" type="checkbox"/> Accessible Route(s)       | <input checked="" type="checkbox"/> Security Gates & Fences              |

**PART III – ENERGY SOURCES & ENGINEERING SYSTEMS:**

Applicant shall provide the following minimum information to outline the specifications relating to the energy sources and engineering systems of each building included in the application.

- Energy Source:
- |   |                                      |                                   |
|---|--------------------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> Natural Gas | <input type="checkbox"/> Oil         | <input type="checkbox"/> Electric |
| <input type="checkbox"/> Solar                  | <input type="checkbox"/> Other _____ |                                   |
- Engineering Systems:
- Heating System: Type \_\_\_\_\_, Size \_\_\_\_\_ Efficiency \_\_\_\_\_,  
Ventilation Requirements \_\_\_\_\_
- Cooling System: Type \_\_\_\_\_, Size \_\_\_\_\_ Efficiency \_\_\_\_\_,  
Ventilation Requirements \_\_\_\_\_
- Ventilation & Humidification Systems:  
Type \_\_\_\_\_, Size \_\_\_\_\_, Efficiency \_\_\_\_\_,  
Ventilation Requirements \_\_\_\_\_
- Electrical Distribution Available \_\_\_\_\_
- Water Supply: Municipal Water Service X or Private Well Water \_\_\_\_\_
- Sewage: Municipal Sewer System X or Private Septic System X
- Emergency Power System:  
Type GAS, Size 10 Efficiency \_\_\_\_\_



Appendix B – Architectural Program

Table with 2 columns: Compliance checkbox and Code description. Includes codes like 2010 BUILDING CODE OF NYS, 2010 FIRE CODE OF NYS, etc.



**Appendix B – Architectural Program**

<p><b>Select Project Type:</b> Check all that apply. Refer to the Existing Building Code for definitions.</p>	<input type="checkbox"/> New Building <input checked="" type="checkbox"/> Repair <input checked="" type="checkbox"/> Alteration Level 1 <input type="checkbox"/> Alteration Level 2	<input type="checkbox"/> Alteration Level 3 <input checked="" type="checkbox"/> Change of Occupancy <input type="checkbox"/> Addition <input type="checkbox"/> Historic Building	<input type="checkbox"/> Demolition <input type="checkbox"/> Chapter 3. Prescriptive Compliance Method <input type="checkbox"/> Chapter 13. Performance Compliance Method
	<p><b>Select Work Involved:</b> Check all that apply.</p> <input checked="" type="checkbox"/> General Construction <input type="checkbox"/> Roofing <input type="checkbox"/> Asbestos Abatement/Environmental <input type="checkbox"/> Fire Alarm	<input type="checkbox"/> Structural <input checked="" type="checkbox"/> Mechanical <input checked="" type="checkbox"/> Plumbing <input checked="" type="checkbox"/> Electrical	<input type="checkbox"/> Site Work <input type="checkbox"/> Sprinkler <input type="checkbox"/> Elevators <input type="checkbox"/> Other: _____

<b>CODE COMPLIANCE REVIEW</b>						
Applicant shall provide all applicable information in regards to the code topic and section listed below.						
1. Code Compliance Review is based on the 2010 NY State Building Code for New Construction. If any other building code applies to the location or type of construction, provide applicable code and sections that most closely relates and references the code topic and information in the code sections listed below. Provide appropriate abbreviations for other applicable codes, such as: <b>FC: Fire Code, PC: Plumbing Code, MC: Mechanical Code, FGC: Fuel Gas Code, ECCC: Energy Conservation Code.</b>						
2. Provide the Required standard for each applicable code section. (i.e.: area, quantity, classification type, materials, hourly separation, etc.). If section does not apply, indicate one of the following with explanation: <b>NA: Not Applicable, NR: Not Required, NP: Not Permitted</b>						
3. Provide your facilities "Actual" value for each required standard as per applicable code section.						
No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
1	Use & Occupancy Classification	302.1 - 312	NR	Use & occupancy of this facility. Identify all applicable materials, class and quantities regarding Table 307.1.	Occupancy B 307.1 N/A	Occupancy B 307.1 N/A



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
2	Combustible Storage	413	N/R	All combustible storage areas and rooms, as per applicable Building and Fire Codes. Identify all combustible stored materials, area and room dimensions, all required fire separations, and exit requirements.	N/A	N/A
3	Hazardous Materials	414	N/R	All hazardous materials stored or used as per applicable Building and Fire Codes. Identify all combustible stored materials, area and room dimensions, all required fire separations, and exit requirements.	N/A	N/A
4	Hazardous Materials Control Areas	414.2	N/R	Provide additional information indicating number, size, materials stored, and quantity of each material.	N/A	N/A
5	Building Area & Height	501-507	N/R	Provide the building area & height Provide all calculations and cite applicable code sections for increased Building Area & Heights allowed per building code(s).	Max. H= 2 Story Max. Area= 40,000 sf	Existing = 1 Story Existing = 4920 sf
6	Incidental Use Areas	508.2	N/R	Identify all Incidental Use Areas and required fire separation of occupancies on Building Plans.	N/A	N/A



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
7	Mixed Occupancies	508.3	N/R	Provide analysis with code cited, and required fire separation of occupancies. Identify required fire separation of occupancies on Building Plan(s).	N/A	N/A
8	Nonseparated Uses	508.3.2	N/R	Provide analysis with code cited, and required fire separation of occupancies. Identify required fire separation of occupancies on Building Plan(s).	N/A	N/A
9	Separated Uses (Ratio < 1)	508.3.3	NR	Provide analysis with code cited, and required fire separation of occupancies. Identify required fire separation of occupancies on Building Plan(s).	One hour fire sep. wall	One hour fire sep. wall
10	Construction Classification	602	NR	Provide Construction Classification per each building included in Application.	II B	II B
11	Fire Resistance Rating Reqmt for Building Elements	Table 601	NR	Provide Fire Resistance Rating per each building element as per Table 601. Identify rating & elements on Building Plans.	Bearing walls = 0 Roof = 0	Bearing walls = 0 Roof = 0



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
12	Exterior Wall Fire-Resistance Rating	Table 602	N/R	Identify required fire resistance rating of exterior walls on Building Plan(s).	One hour rated wall	One hour rated wall
13	Exterior Fire Separation Distance	Table 602	N/R	Identify required fire separation distance of exterior walls between Buildings on Plan.	5 < x < 10 required	
14	Fire Walls	705	N/R	Provide code information and identify all applicable required Fire Wall(s) and fire resistance requirement on Building Plans.	N/A	N/A
15	Fire Barriers	706	N/R	Provide code information and identify all applicable required Fire Barrier(s) and fire resistance requirement on Building Plans.	One hour Partition Wall 45 Min Rated Doors	One hour Partition Wall 45 Min Rated Doors
16	Shaft Enclosures	707	N/R	Provide code information and identify all applicable required Shaft Wall(s) and fire resistance requirement on Building Plans.	One hour Partition Wall 45 Min Rated Doors	One hour Partition Wall 45 Min Rated Doors
17	Fire Partitions	708	N/R	Provide code information and identify all applicable required Fire Partition(s) and fire resistance requirement on Building Plans.	One hour Partition Wall 45 Min Rated Doors	One hour Partition Wall 45 Min Rated Doors



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
18	Horizontal Assemblies	711	N/R	Provide code information and identify all applicable required Horizontal Assemblies and fire resistance requirement on Building Plans.	N/A	N/A
19	Fire Protection: Sprinkler System	903	N/R	Indicate Type of Sprinkler System: <input type="checkbox"/> NFPA 13 <input type="checkbox"/> NFPA 13 R <input type="checkbox"/> NFPA 13D Provide code information of all applicable requirements for Automatic Sprinkler Systems with code section cited.	501. NYS B.C. 902. NYS B.C.	Meet Requirements
20	Alt. Fire Extinguishing System	904	N/R	Provide code information of all applicable requirements for Alternative Automatic Fire-Extinguishing Systems with code section(s) cited.	N/A	N/A
21	Standpipe System	905	N/R	Provide code information of all applicable requirements for Standpipe Systems with code section(s) cited.	N/A	N/A
22	Fire Alarm & Detection Systems	907	N/R	Provide code information of all applicable requirements for Fire Alarm System(s) with code section cited. Indicate Type of Fire Alarm System <input type="checkbox"/> Addressable <input type="checkbox"/> Hardwired (zoned)	Per Local Fire Marshal	Per Local Fire Marshal



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
23	Emergency Alarm System	908	N/R	Provide code information of all applicable requirements for Emergency Alarm Systems with code section cited.	N/A	N/A
24	Fire Department Connections	912	N/R	Identify Fire Department connections in accordance with NFPA applicable standard.	N/A	N/A
25	Exits	1001.1 & 2	N/R	Identify on the Building Plans and documents, per each door, the following information: door width, door height, direction of swing, type of construction, hourly rating, and door closures.	45 Min. Rated Doors Single Door Min. 36" Double Doors Min 6'-0"	45 Min. Rated Doors Single Door Min. 36" Double Doors Min 6'-0"
26	Occupant Load	1004 & Table 1004.1.1	N/R	Identify the use/name of each room, dimensions of each room, and Occupant Loads per each room on the Building Plans.	Based on table 1004.1	Max allowed 110
27	Egress Width	1005	N/R	Provide egress widths & cite applicable code section(s) and requirement(s) on the Building Plans	Based on table 1005.1	Meet requirements
28	Accessible Means of Egress	1007.1	N/R	Provide accessible means of egress as per Section 1007 & cite applicable code section(s) and requirement(s) on the Building Plans.	Min 2 accessible mean of egress per floor	Total 4 accessible mean of egress



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
29	Doors, Gates, and Turnstiles	1008	N/R	Means of egress doors shall meet the requirements of this section.	Min (2) 36" doors	Meet Requirements
30	Interior Stairs	1009	N/R	Identify the following information for each stairway on the Building Plan(s): the width of stairways; the height, width, depth and number of risers and treads; dimensions of landings; stairway construction type; and handrail height.	Min width = 44" Max R= 7" Min T= 11"	Meet Requirements
31	Ramps	1010.1	N/R	Identify the following information of each ramp, on the Building Plan(s): width; total vertical rise; length of ramp; and handrail height.	N/A	N/A
32	Common Path of Travel	1014.3	N/R	Identify on the Building Plan(s): the length of the "Common Path of Travel" per each room as per applicable building code requirements.	Max travel path = 75 ft	Meet Requirements
33	Exit Doorway Arrangement	1015	N/R	Identify on the Building Plan(s): applicable building code requirements for all Exits and Exit Access Doorways per each room and required exits in all buildings.	One third of the length of the building	Meet requirements
34	Corridor Fire Rating	1017.1	N/R	Identify, on the Building Plan(s): all corridors with required fire resistance and the applicable fire rating.	N/A	N/A



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
35	Corridor Width	1017.2	N/R	Identify on the Building Plan(s): the width of all corridors. Provide applicable code section(s) and requirement(s).	44" Min,	N/A
36	Dead End Corridor	1017.3	N/R	Corridors shall not exceed the maximum dead end corridor length as per applicable code.	Max. 20FT	No dead en corridors on the building
37	Number of Exits and Continuity	1019	N/R	Identify on the Building Plan(s): required number of exits, continuity and arrangement as per the applicable code requirements.	Min, 2 exits	Meet requirements
38	Vertical Exit Enclosures	1020	N/R	Identify on the Building Plan(s): all applicable code requirements for each Vertical Exit Enclosure.	44" Min Width	Meet Requirements
39	Exit Passageways	1021	N/R	Identify on the Building Plan(s): all applicable code requirements for each Exit Passageway.	N/A	N/A
40	Horizontal Exits	1022	N/R	Identify on the Building Plan(s): all applicable code requirements for each Horizontal Exit.	N/A	N/A



**Appendix B – Architectural Program**

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41	Exterior Exit Ramps & Stairways	1023	N/R	Identify on the Building Plan(s): all applicable code requirements for each exterior exit ramps and stairways.	N/A	N/A
42	Exit Discharge	1024	N/R	Identify on the Building Plan(s): all applicable code requirements for each Exit Discharge.	See Plan	See Plan
43	Accessibility	1101.1 - 1110 & ICC/A117.1(03)	N/R	Identify on the Building Plan(s): all applicable code requirements such that the design and construction of each building/facility provides accessibility to physically disabled persons.	See Plan	See Plan
44	Energy Conservation	2010 NYS ECCC & IECC 2012	N/R	Identify the R-Value and U-Value of each construction component and assembly of the building envelope as required in the applicable energy and building code(s).	Exterior Walls R21 Roof: R38	Exterior Wall R21 Roof R 38
45	Emergency & Standby Power	2702.1	N/R	Identify emergency & Standby Power locations and specifications of the system to be provided.	Generator	Generator
46	Smoke Control Systems	2702.2.2	N/R	Identify the Standby power for smoke control systems in accordance with Section 909.11 of NYS Building Code.	Generator	Generator



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47	Plumbing Fixture Count	2902.1	N/R	Identify on the Building Plan(s): the minimum plumbing facilities as per applicable plumbing code(s).	Chart 2902.1	Meet Requirement
48	Available Street Water Pressure		N/R	Provide the available street or well water pressure.	N/A	90 psi
49	Fire Apparatus Access Road	FC503.1	N/R	Identify on the Site Plan: Fire Apparatus Road, Fire Lane and other Fire Service requirements per applicable Building and Fire Codes.	N/A	N/A



**DISPENSARY**  
**248 SOUTH AVE**  
**POUGHKEEPSIE - NY**

LIST OF DRAWINGS:

- T1 COVER SHEET
- S/1 ARCHITECTURAL SITE PLAN
- A-100 PROPOSED PRODUCTION
- A-600 EGRESS PLAN AND CODE



LOCATION MAP

- GENERAL NOTES**
1. Intent of documents is to show new construction only. Provide all required demolition and remove only those existing items as required to accomplish the new construction as shown. Retain or relocate those items not shown removed or where called for to be relocated.
  2. Existing drawings shall not be deemed to show all existing conditions and shall not substitute for field visits, they are only to aid in the understanding of the new work.
  3. Verify all field conditions prior to execution of the work and notify the Architect if there are discrepancies or unsatisfactory existing conditions.
  4. Provide all temporary bracing, shoring, forms, etc. Provide all required temporary enclosures to protect the new and existing construction materials and equipment from the weather and to protect the unaltered area from the dust and dirt of construction.
  5. The contractor shall repair at his own expense any damages occurring from the new work due to exposure to weather or his manners or methods of construction.
  6. For all guarantees and warranties see the specifications.
  7. Provide all required cutting, fitting, and patching for the mechanical and electrical trades.
  8. Provide all miscellaneous rough and finish carpentry, headers, lintels, blocking, furring, trimming etc. as might be required.
  9. All dimensions shown are to rough surfaces not finished, unless otherwise noted.
  10. Provide all required plumbing, vent and electrical connections for all appliances.
  11. All work shall conform to local, state and national codes.

**GP** ARCHITECTURAL LLC  
GP CONSULTING LLC  
62 PLATT LN MILFORD CT 06460  
(203) 306-8780 (203) 763-9098

**248 SOUTH AVE**  
POUGHKEEPSIE - NY

Drawing Title: <b>COVER SHEET</b>		Scale: NA
Project No.:	Drawn By: GP	Date: 06/01/15
Issued:	Drawing No: <b>T1</b>	

NOTE: DO NOT SCALE DRAWINGS

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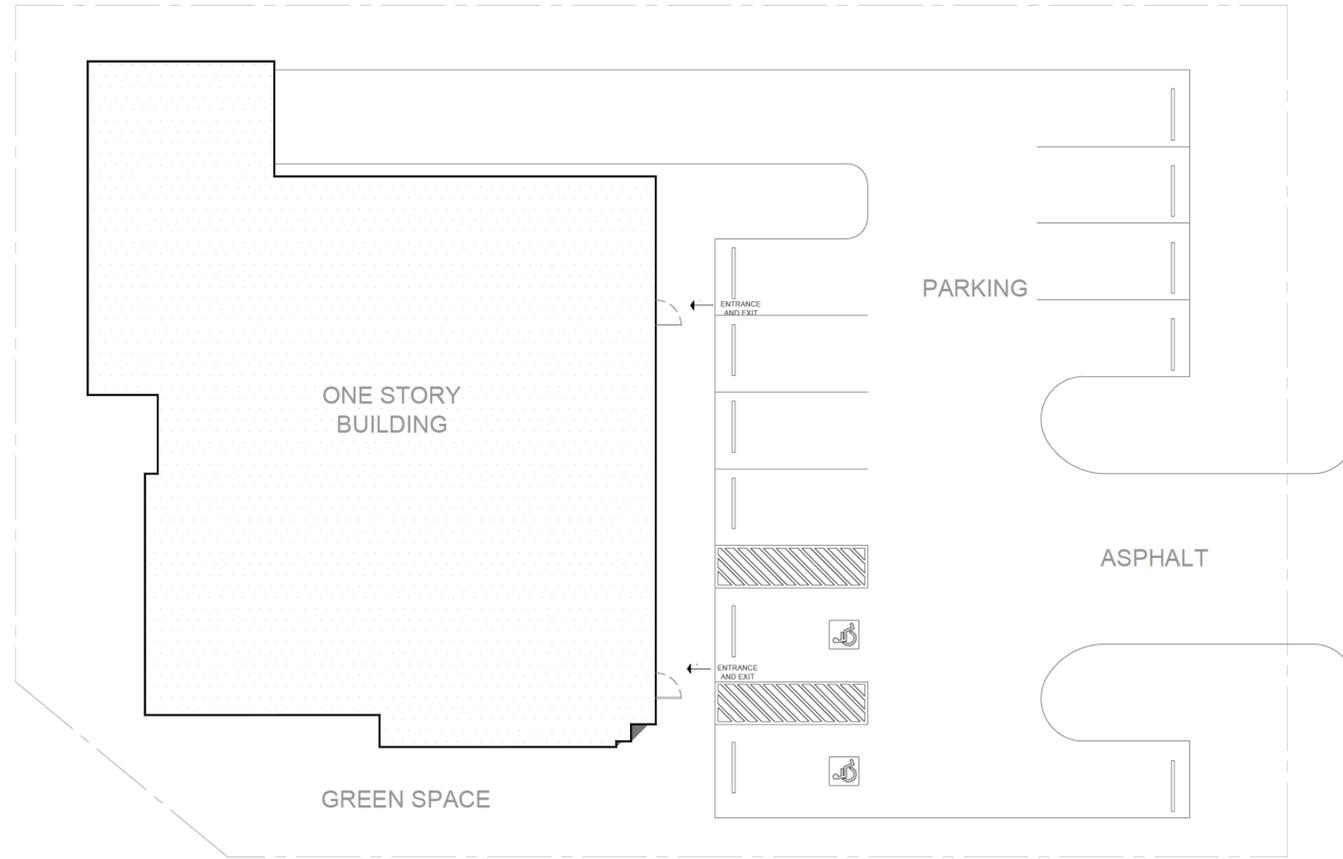
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GP CONSULTING LLC  
 62 PLATT LN MILFORD CT 06460  
 (203) 306-8780 (203) 763-9098

248 SOUTH AVE  
 POUGHKEEPSIE - NY

Drawing Title: <b>SITE PLAN</b>		Scale: 1/10
Project No.:	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: AS/1

NOTE: DO NOT SCALE DRAWINGS

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248 SOUTH AVE  
POUGHKEEPSIE - NY

Drawing Title:		Scale:
<b>FIRST FLOOR</b>		1/4"
Project No.:	Drawn By:	Date:
	GP	06/01/15
Issued:	Drawing No:	
	A-100	

E

NOTE: DO NOT SCALE DRAWINGS

F

**CONSTRUCTION AND CODE DATA**

2010 BUILDING CODE OF NYS  
2010 FIRE CODE OF NYS  
2010 PLUMBING CODE OF NYS  
2010 FUEL GAS CODE OF NYS  
2010 ENERGY CONSERVATION  
CONSTRUCTION CODE OF NYS  
NEC NATIONAL ELECTRIC CODE  
NFPA 101-06 LIFE SAFETY CODE  
ICC / ANSI A117.103 ACCESSIBLE  
USABLE BUILDING AND FACILITIES

BUILDING USE GROUP: B  
CONSTRUCTION TYPE: IIB  
FIRE SPRINKLER: NONE  
AREA OF BUILDING: 4,155 S.F.

OCCUPANCY LOAD FOR B USE BUILDING: 100 MAX

MAX. TRAVEL PATH BY CODE = 75 FT

 **GP CONSULTING LLC**  
62 PLATT LN MILFORD CT 06460  
(203) 306-8780 (203) 763-9098

**248 SOUTH AVE**  
POUGHKEEPSIE - NY

Drawing Title: <b>GREESS PLAN</b>		Scale: 1/4"
Project No.:	Drawn By: <b>GP</b>	Date: 06/01/15
Revised:		Drawing No: <b>D1</b>

NOTE: DO NOT SCALE DRAWINGS



**Appendix B: Architectural Program**

**A SEPARATE “APPENDIX B” SHALL BE COMPLETED FOR EACH SEPARATE BUILDING AND/OR FACILITY INCLUDED IN THE ORGANIZATION’S BUSINESS PLAN**

<b>COMPANY INFORMATION</b>	
Business Name:	Cannabis of America LLC d/b/a Empire Green Labs
Facility Type:	Manufacturing Facility <input type="checkbox"/> Dispensing Facility <input type="checkbox"/>
Use and Occupancy Classification:	B
Building Construction Type and Classification:	II B
Facility Address:	824 Loudon Rd, Latham, NY
Primary Contact Telephone number:	914-618-2895
Primary Contact Fax number:	203-651-1065
<b><u>PART I – ARCHITECTURAL PROGRAM &amp; CONSTRUCTION TIMELINE:</u></b>	
Applicant shall identify planning requirements, including but not limited to:	
<input type="checkbox"/>	TOWN BOARD APPROVAL
<input checked="" type="checkbox"/>	PLANNING BOARD APPROVAL
<input type="checkbox"/>	ZONING BOARD OF APPEALS APPROVAL
<input checked="" type="checkbox"/>	PREPARATION OF CONSTRUCTION DOCUMENTS
<input checked="" type="checkbox"/>	BUILDING PERMIT
<input checked="" type="checkbox"/>	BIDDING PHASE
<input checked="" type="checkbox"/>	CONTRACT AWARD PHASE PER EACH APPLICABLE CONTRACTOR (Identify all that apply)
<input checked="" type="checkbox"/>	COMMENCEMENT OF CONSTRUCTION
<input checked="" type="checkbox"/>	COMPLETION OF CONSTRUCTION



**Appendix B – Architectural Program**

**PART II – SITE PLAN(S)**

Applicant shall provide the appropriate details for each of the following by identifying the location and dimension on the Site Plan attached to the application for each building location.

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Entrance and Exits        | <input checked="" type="checkbox"/> Fire Lane and/or Fire Apparatus Road |
| <input checked="" type="checkbox"/> Public Parking Spaces     | <input checked="" type="checkbox"/> Percentage of Green Space            |
| <input checked="" type="checkbox"/> Staff Parking Spaces      | <input checked="" type="checkbox"/> Location of Emergency Power Systems  |
| <input checked="" type="checkbox"/> Accessible Parking Spaces | <input checked="" type="checkbox"/> Loading & Unloading                  |
| <input checked="" type="checkbox"/> Accessible Route(s)       | <input checked="" type="checkbox"/> Security Gates & Fences              |

**PART III – ENERGY SOURCES & ENGINEERING SYSTEMS:**

Applicant shall provide the following minimum information to outline the specifications relating to the energy sources and engineering systems of each building included in the application.

- Energy Source:
- |   |                                      |                                   |
|---|--------------------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> Natural Gas | <input type="checkbox"/> Oil         | <input type="checkbox"/> Electric |
| <input type="checkbox"/> Solar                  | <input type="checkbox"/> Other _____ |                                   |
- Engineering Systems:
- Heating System: Type \_\_\_\_\_, Size \_\_\_\_\_ Efficiency \_\_\_\_\_,  
Ventilation Requirements \_\_\_\_\_
- Cooling System: Type \_\_\_\_\_, Size \_\_\_\_\_ Efficiency \_\_\_\_\_,  
Ventilation Requirements \_\_\_\_\_
- Ventilation & Humidification Systems:  
Type \_\_\_\_\_, Size \_\_\_\_\_, Efficiency \_\_\_\_\_,  
Ventilation Requirements \_\_\_\_\_
- Electrical Distribution Available \_\_\_\_\_
- Water Supply: Municipal Water Service X or Private Well Water \_\_\_\_\_
- Sewage: Municipal Sewer System X or Private Septic System X
- Emergency Power System:  
Type GAS, Size 10 Efficiency \_\_\_\_\_



Appendix B – Architectural Program

Table with 2 columns: Compliance checkbox and Code description. Includes codes like 2010 BUILDING CODE OF NYS, 2010 FIRE CODE OF NYS, etc.



**Appendix B – Architectural Program**

<p><b>Select Project Type:</b> Check all that apply. Refer to the Existing Building Code for definitions.</p>	<input type="checkbox"/> New Building <input checked="" type="checkbox"/> Repair <input checked="" type="checkbox"/> Alteration Level 1 <input type="checkbox"/> Alteration Level 2	<input type="checkbox"/> Alteration Level 3 <input checked="" type="checkbox"/> Change of Occupancy <input type="checkbox"/> Addition <input type="checkbox"/> Historic Building	<input type="checkbox"/> Demolition <input type="checkbox"/> Chapter 3. Prescriptive Compliance Method <input type="checkbox"/> Chapter 13. Performance Compliance Method
	<p><b>Select Work Involved:</b> Check all that apply.</p> <input checked="" type="checkbox"/> General Construction <input type="checkbox"/> Roofing <input type="checkbox"/> Asbestos Abatement/Environmental <input type="checkbox"/> Fire Alarm	<input type="checkbox"/> Structural <input checked="" type="checkbox"/> Mechanical <input checked="" type="checkbox"/> Plumbing <input checked="" type="checkbox"/> Electrical	<input type="checkbox"/> Site Work <input type="checkbox"/> Sprinkler <input type="checkbox"/> Elevators <input type="checkbox"/> Other: _____

<b>CODE COMPLIANCE REVIEW</b>						
<p>Applicant shall provide all applicable information in regards to the code topic and section listed below.</p> <p>1. Code Compliance Review is based on the 2010 NY State Building Code for New Construction. If any other building code applies to the location or type of construction, provide applicable code and sections that most closely relates and references the code topic and information in the code sections listed below. Provide appropriate abbreviations for other applicable codes, such as: <b>FC: Fire Code, PC: Plumbing Code, MC: Mechanical Code, FGC: Fuel Gas Code, ECCC: Energy Conservation Code.</b></p> <p>2. Provide the Required standard for each applicable code section. (i.e.: area, quantity, classification type, materials, hourly separation, etc.). If section does not apply, indicate one of the following with explanation: <b>NA: Not Applicable, NR: Not Required, NP: Not Permitted</b></p> <p>3. Provide your facilities "Actual" value for each required standard as per applicable code section.</p>						
No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
1	Use & Occupancy Classification	302.1 - 312	NR	Use & occupancy of this facility. Identify all applicable materials, class and quantities regarding Table 307.1.	Occupancy B 307.1 N/A	Occupancy B 307.1 N/A



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
2	Combustible Storage	413	N/R	All combustible storage areas and rooms, as per applicable Building and Fire Codes. Identify all combustible stored materials, area and room dimensions, all required fire separations, and exit requirements.	N/A	N/A
3	Hazardous Materials	414	N/R	All hazardous materials stored or used as per applicable Building and Fire Codes. Identify all combustible stored materials, area and room dimensions, all required fire separations, and exit requirements.	N/A	N/A
4	Hazardous Materials Control Areas	414.2	N/R	Provide additional information indicating number, size, materials stored, and quantity of each material.	N/A	N/A
5	Building Area & Height	501-507	N/R	Provide the building area & height Provide all calculations and cite applicable code sections for increased Building Area & Heights allowed per building code(s).	Max. H= 2 Story Max. Area= 40,000 sf	Existing = 1 Story Existing = 4920 sf
6	Incidental Use Areas	508.2	N/R	Identify all Incidental Use Areas and required fire separation of occupancies on Building Plans.	N/A	N/A



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
7	Mixed Occupancies	508.3	N/R	Provide analysis with code cited, and required fire separation of occupancies. Identify required fire separation of occupancies on Building Plan(s).	N/A	N/A
8	Nonseparated Uses	508.3.2	N/R	Provide analysis with code cited, and required fire separation of occupancies. Identify required fire separation of occupancies on Building Plan(s).	N/A	N/A
9	Separated Uses (Ratio < 1)	508.3.3	NR	Provide analysis with code cited, and required fire separation of occupancies. Identify required fire separation of occupancies on Building Plan(s).	One hour fire sep. wall	One hour fire sep. wall
10	Construction Classification	602	NR	Provide Construction Classification per each building included in Application.	II B	II B
11	Fire Resistance Rating Reqmt for Building Elements	Table 601	NR	Provide Fire Resistance Rating per each building element as per Table 601. Identify rating & elements on Building Plans.	Bearing walls = 0 Roof = 0	Bearing walls = 0 Roof = 0



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
12	Exterior Wall Fire-Resistance Rating	Table 602	N/R	Identify required fire resistance rating of exterior walls on Building Plan(s).	One hour rated wall	One hour rated wall
13	Exterior Fire Separation Distance	Table 602	N/R	Identify required fire separation distance of exterior walls between Buildings on Plan.	5 < x < 10 required	
14	Fire Walls	705	N/R	Provide code information and identify all applicable required Fire Wall(s) and fire resistance requirement on Building Plans.	N/A	N/A
15	Fire Barriers	706	N/R	Provide code information and identify all applicable required Fire Barrier(s) and fire resistance requirement on Building Plans.	One hour Partition Wall 45 Min Rated Doors	One hour Partition Wall 45 Min Rated Doors
16	Shaft Enclosures	707	N/R	Provide code information and identify all applicable required Shaft Wall(s) and fire resistance requirement on Building Plans.	One hour Partition Wall 45 Min Rated Doors	One hour Partition Wall 45 Min Rated Doors
17	Fire Partitions	708	N/R	Provide code information and identify all applicable required Fire Partition(s) and fire resistance requirement on Building Plans.	One hour Partition Wall 45 Min Rated Doors	One hour Partition Wall 45 Min Rated Doors



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
18	Horizontal Assemblies	711	N/R	Provide code information and identify all applicable required Horizontal Assemblies and fire resistance requirement on Building Plans.	N/A	N/A
19	Fire Protection: Sprinkler System	903	N/R	Indicate Type of Sprinkler System: <input type="checkbox"/> NFPA 13 <input type="checkbox"/> NFPA 13 R <input type="checkbox"/> NFPA 13D Provide code information of all applicable requirements for Automatic Sprinkler Systems with code section cited.	501. NYS B.C. 902. NYS B.C.	Meet Requirements
20	Alt. Fire Extinguishing System	904	N/R	Provide code information of all applicable requirements for Alternative Automatic Fire-Extinguishing Systems with code section(s) cited.	N/A	N/A
21	Standpipe System	905	N/R	Provide code information of all applicable requirements for Standpipe Systems with code section(s) cited.	N/A	N/A
22	Fire Alarm & Detection Systems	907	N/R	Provide code information of all applicable requirements for Fire Alarm System(s) with code section cited. Indicate Type of Fire Alarm System <input type="checkbox"/> Addressable <input type="checkbox"/> Hardwired (zoned)	Per Local Fire Marshal	Per Local Fire Marshal



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
23	Emergency Alarm System	908	N/R	Provide code information of all applicable requirements for Emergency Alarm Systems with code section cited.	N/A	N/A
24	Fire Department Connections	912	N/R	Identify Fire Department connections in accordance with NFPA applicable standard.	N/A	N/A
25	Exits	1001.1 & 2	N/R	Identify on the Building Plans and documents, per each door, the following information: door width, door height, direction of swing, type of construction, hourly rating, and door closures.	45 Min. Rated Doors Single Door Min. 36" Double Doors Min 6'-0"	45 Min. Rated Doors Single Door Min. 36" Double Doors Min 6'-0"
26	Occupant Load	1004 & Table 1004.1.1	N/R	Identify the use/name of each room, dimensions of each room, and Occupant Loads per each room on the Building Plans.	Based on table 1004.1	Max allowed 110
27	Egress Width	1005	N/R	Provide egress widths & cite applicable code section(s) and requirement(s) on the Building Plans	Based on table 1005.1	Meet requirements
28	Accessible Means of Egress	1007.1	N/R	Provide accessible means of egress as per Section 1007 & cite applicable code section(s) and requirement(s) on the Building Plans.	Min 2 accessible mean of egress per floor	Total 4 accessible mean of egress



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
29	Doors, Gates, and Turnstiles	1008	N/R	Means of egress doors shall meet the requirements of this section.	Min (2) 36" doors	Meet Requirements
30	Interior Stairs	1009	N/R	Identify the following information for each stairway on the Building Plan(s): the width of stairways; the height, width, depth and number of risers and treads; dimensions of landings; stairway construction type; and handrail height.	Min width = 44" Max R= 7" Min T= 11"	Meet Requirements
31	Ramps	1010.1	N/R	Identify the following information of each ramp, on the Building Plan(s): width; total vertical rise; length of ramp; and handrail height.	N/A	N/A
32	Common Path of Travel	1014.3	N/R	Identify on the Building Plan(s): the length of the "Common Path of Travel" per each room as per applicable building code requirements.	Max travel path = 75 ft	Meet Requirements
33	Exit Doorway Arrangement	1015	N/R	Identify on the Building Plan(s): applicable building code requirements for all Exits and Exit Access Doorways per each room and required exits in all buildings.	One third of the length of the building	Meet requirements
34	Corridor Fire Rating	1017.1	N/R	Identify, on the Building Plan(s): all corridors with required fire resistance and the applicable fire rating.	N/A	N/A



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
35	Corridor Width	1017.2	N/R	Identify on the Building Plan(s): the width of all corridors. Provide applicable code section(s) and requirement(s).	44" Min,	N/A
36	Dead End Corridor	1017.3	N/R	Corridors shall not exceed the maximum dead end corridor length as per applicable code.	Max. 20FT	No dead en corridors on the building
37	Number of Exits and Continuity	1019	N/R	Identify on the Building Plan(s): required number of exits, continuity and arrangement as per the applicable code requirements.	Min, 2 exits	Meet requirements
38	Vertical Exit Enclosures	1020	N/R	Identify on the Building Plan(s): all applicable code requirements for each Vertical Exit Enclosure.	44" Min Width	Meet Requirements
39	Exit Passageways	1021	N/R	Identify on the Building Plan(s): all applicable code requirements for each Exit Passageway.	N/A	N/A
40	Horizontal Exits	1022	N/R	Identify on the Building Plan(s): all applicable code requirements for each Horizontal Exit.	N/A	N/A



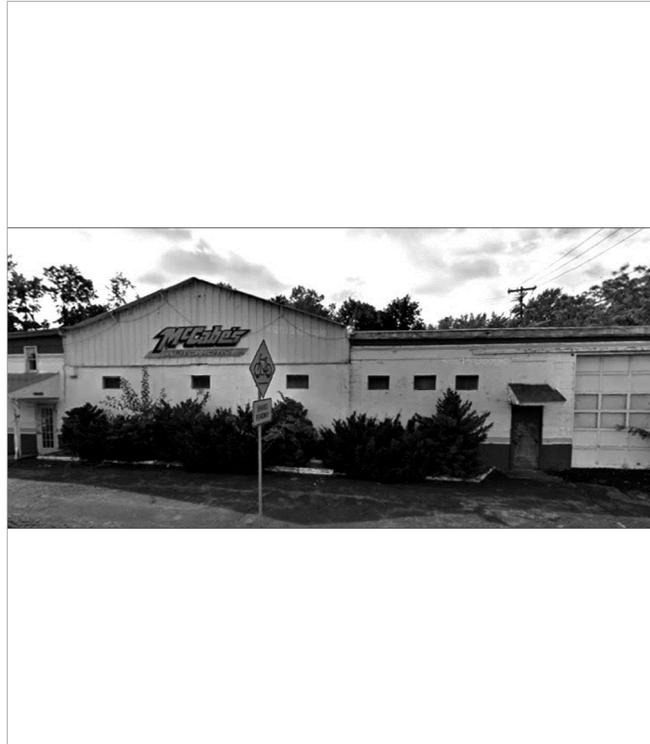
**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
41	Exterior Exit Ramps & Stairways	1023	N/R	Identify on the Building Plan(s): all applicable code requirements for each exterior exit ramps and stairways.	N/A	N/A
42	Exit Discharge	1024	N/R	Identify on the Building Plan(s): all applicable code requirements for each Exit Discharge.	See Plan	See Plan
43	Accessibility	1101.1 - 1110 & ICC/A117.1(03)	N/R	Identify on the Building Plan(s): all applicable code requirements such that the design and construction of each building/facility provides accessibility to physically disabled persons.	See Plan	See Plan
44	Energy Conservation	2010 NYS ECCC & IECC 2012	N/R	Identify the R-Value and U-Value of each construction component and assembly of the building envelope as required in the applicable energy and building code(s).	Exterior Walls R21 Roof: R38	Exterior Wall R21 Roof R 38
45	Emergency & Standby Power	2702.1	N/R	Identify emergency & Standby Power locations and specifications of the system to be provided.	Generator	Generator
46	Smoke Control Systems	2702.2.2	N/R	Identify the Standby power for smoke control systems in accordance with Section 909.11 of NYS Building Code.	Generator	Generator



**Appendix B – Architectural Program**

No.	Topic	NYS Building Code Section	Other Code <sup>1</sup> (as Stated Above) & Section	Minimum Information Required to be Identified for this building/facility on the Building or Site Plan(s)	Required Code Value <sup>2</sup> /Allowed Code Value	Facility's Actual Value <sup>3</sup>
47	Plumbing Fixture Count	2902.1	N/R	Identify on the Building Plan(s): the minimum plumbing facilities as per applicable plumbing code(s).	Chart 2902.1	Meet Requirement
48	Available Street Water Pressure		N/R	Provide the available street or well water pressure.	N/A	90 psi
49	Fire Apparatus Access Road	FC503.1	N/R	Identify on the Site Plan: Fire Apparatus Road, Fire Lane and other Fire Service requirements per applicable Building and Fire Codes.	N/A	N/A



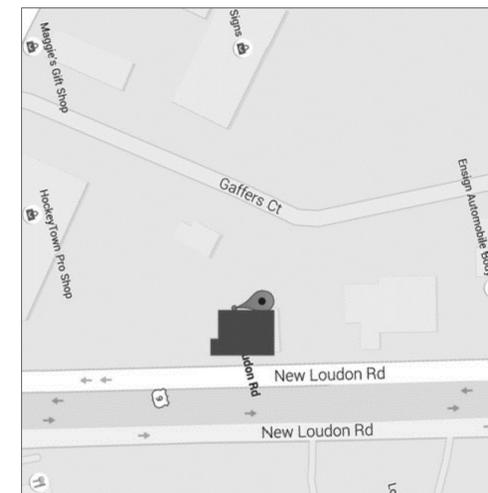
# DISPENSARY

# 824 LOUDON RD

## LATHAM.NY.

### LIST OF DRAWINGS:

- T1 COVER SHEET
- S-1 ARCHITECTURAL SITE PLAN
- A-100 FIRST FLOOR PLAN
- A-600 EGRESS PLAN AND CODE



LOCATION MAP

#### GENERAL NOTES

1. Intent of documents is to show new construction only. Provide all required demolition and remove only those existing items as required to accomplish the new construction as shown. Retain or relocate those items not shown removed or where called for to be relocated.
2. Existing drawings shall not be deemed to show all existing conditions and shall not substitute for field visits, they are only to aid in the understanding of the new work.
3. Verify all field conditions prior to execution of the work and notify the Architect if there are discrepancies or unsatisfactory existing conditions.
4. Provide all temporary bracing, shoring, forms, etc. Provide all required temporary enclosures to protect the new and existing construction materials and equipment from the weather and to protect the unaltered area from the dust and dirt of construction.
5. The contractor shall repair at his own expense any damages occurring from the new work due to exposure to weather or his manners or methods of construction.
6. For all guarantees and warranties see the specifications.
7. Provide all required cutting, fitting, and patching for the mechanical and electrical trades.
8. Provide all miscellaneous rough and finish carpentry, headers, lintels, blocking, furring, trimming etc. as might be required.
9. All dimensions shown are to rough surfaces not finished, unless otherwise noted.
10. Provide all required plumbing, vent and electrical connections for all appliances.
11. All work shall conform to local, state and national codes.



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### 824 LOUDON RD LATHAM, NY.

Drawing Title: COVER SHEET		Scale: NA
Project No.: 2015/07	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: T1

NOTE: DO NOT SCALE DRAWINGS

1

2

3

4

5

6

GAFFERS CT

ACCESS ROUTE

EXISTING BLACKTOP

EXISTING GREEN SPACE

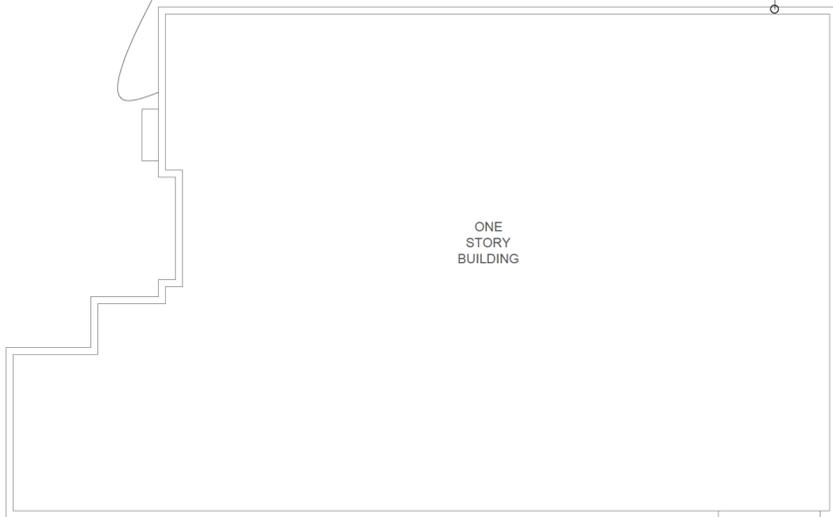
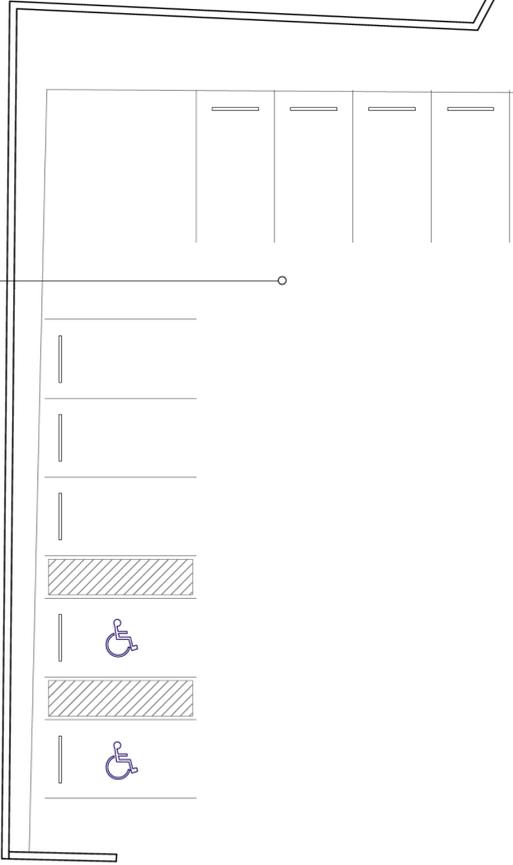
GRAVEL SURFACE



EXISTING GREEN SPACE

EXIT

PUBLIC PARKING SPACE



ONE STORY BUILDING

ENTRANCE

ENTRANCE

ACCESS ROUTE

NEW LOUDON RD

ACCESS

A

B

C

D

E

F



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824 LOUDON RD  
LATHAM, NY.

Drawing Title: SITE PLAN		Scale: 1/10'
Project No.: 2015/07	Drawn By: GP/TP	Date: 06/01/15
Issued:		Drawing No: S-1

NOTE: DO NOT SCALE DRAWINGS

A

B

C

D



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824 LOUDON RD  
LATHAM, NY.

E

Drawing Title: FIRST FLOOR		Scale: 1/4"
Project No.:	Drawn By:	Date:
2015/07	GP/TP	06/01/15
Issued:		Drawing No: <b>A-100</b>

F

NOTE: DO NOT SCALE DRAWINGS

**CONSTRUCTION AND CODE DATA**

2010 BUILDING CODE OF NYS  
2010 FIRE CODE OF NYS  
2010 PLUMBING CODE OF NYS  
2010 FUEL GAS CODE OF NYS  
2010 ENERGY CONSERVATION  
CONSTRUCTION CODE OF NYS  
NEC NATIONAL ELECTRIC CODE  
NFPA 101-06 LIFE SAFETY CODE  
ICC / ANSI A117.103 ACCESSIBLE  
USABLE BUILDING AND FACILITIES

BUILDING USE GROUP: B  
CONSTRUCTION TYPE: IB  
FIRE SPRINKLER: NONE  
AREA OF BUILDING: 4,920S.F.

OCCUPANCY LOAD FOR B USE BUILDING: 100 MAX

MAX. TRAVEL PATH BY CODE = 75 FT



**GP CONSULTING LLC**  
62 PLATT LN MILFORD CT 06460  
(203) 306-8780 (203) 763-9098

**824 LOUDON RD**  
LATHAM, NY.

Drawing Title: GROSS PLAN AND CODE		Scale: 1/4"
Project No.: 2015/07	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: <b>A-600</b>

NOTE: DO NOT SCALE DRAWINGS

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Question 74.....	
Question 75.....	
Question 76.....	
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Production.....	DS1 15
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Section 4: Devices.....	DS4 1
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Section 6: Standard Operating Procedures .....	
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<b>Attachment F: Labor Peace Agreements.....</b>	<b>F</b>	<b>1</b>
<b>Attachment G: Financial Statements (<i>Pro Formas</i>).....</b>	<b>G</b>	<b>1</b>
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Dispensary 3.....	H4	201
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<b>Attachment J: Staffing Plan.....</b>	<b>J</b>	<b>1</b>
<b>Attachment K: Proof of Internet Connectivity.....</b>	<b>K</b>	<b>1</b>
<b>Attachment L: Timeline.....</b>	<b>L</b>	<b>1</b>
<b>Attachment M: Applicant Statement.....</b>	<b>M</b>	<b>1</b>
<b>Appendix A: Affidavits for Board Members, Officers and Members.....</b>	<b>AA</b>	<b>1</b>
Thomas Macre, Sr.....	AA	2
Peter Cantone.....		
Jonathan Kaelin.....		
Thomas Macre, Jr.....		

Gary Mullin .....

**Appendix B: Architectural Program .....**

Manufacturing Facility..... AB 1

Dispensary 1 .....

Dispensary 2 .....

Dispensary 3 .....

Dispensary 4 .....



**SECTION H**

## Section H: Legal Disclosures

**73. Does any controlling person of the applicant, any manager, any principal stakeholder, any sole proprietor applicant, any general partner of a partnership applicant, any officer or member of the board of directors of a corporate applicant, or corporate general partner, or a combination of such persons collectively, maintain a ten percent interest or greater in any firm, association, foundation, trust, partnership, corporation or other entity, and such entity will or may provide goods, leases, or services to the registered organization, the value of which is or would be five hundred dollars or more within any one year?**

**OR**

**Does any entity maintain a ten percent interest or greater in the applicant, and such entity will or may provide goods, leases, or services to the registered organization, the value of which is or would be five hundred dollars or more within any one year?**

**Yes**

**Response:**

Cannabis of America, LLC (“COA”) is a wholly owned subsidiary of Empire Green Labs Management Services, LLC (“EGL-MS”). EGL-MS will provide a number of services to its subsidiary COA that exceed \$500, including: regulatory compliance oversight, accounting and bookkeeping. EGL-MS obtained the leases or option agreement for properties to be used by Cannabis of America for cultivation/manufacturing and dispensing and retained the services of several consultants to assist in both application preparation and post approval training.

For *pro forma* projections, the costs of these services are included in COA’s projections to maintain an accurate picture of the detailed overall operational and production expenses. Annual accounting and bookkeeping costs are estimated to be over \$50,000.

**74. A. Is the applicant a corporate subsidiary or affiliate of another corporation?  Yes**

**If the answer to this question is “Yes,” a statement setting forth the name and address of the parent or affiliate, the primary activities of the parent or affiliate, the interest in the applicant held by the parent or affiliate, and the extent to which the parent will be involved in the activities of the applicant, and responsible for the financial and contractual obligations of the subsidiary must be included with this application. The organizational and operational documents of the corporate subsidiary or affiliate must also be submitted, including but not limited to, as applicable: the certificate of incorporation, bylaws, articles of organization, partnership agreement, operating agreement, and all amendments thereto, and financial or contractual obligations with respect to the applicant.**

**Response:**

The parent company of Cannabis of America, LLC (“COA”) is:

Empire Green Labs Management Services, LLC (“EGL-MS”)  
427 Manville Rd.  
Pleasantville, New York 10570

Interest held by EGL-MS in Cannabis of America, LLC: 100%

EGL-MS, a New York State limited liability company, was formed to provide Cannabis of America with general management oversight and administrative support such as accounting, bookkeeping and compliance review. The operational and administrative support is limited to functions not directly related to cultivation, production or dispensing.

As the sole equity and voting member of Cannabis of America, EGL-MS will be involved in the activities of COA to the extent that EGL-MS will maintain control over the strategic direction of its subsidiary through COA’s General Manager (appointed by the members of EGL-MS). While the General Manager of Cannabis of America is appointed by EGL-MS, it is important to note that the General Manager will also be an employee of Cannabis of America.

EGL-MS has assisted COA in obtaining consultant agreements, leases and option agreements in preparation for the application process and will continue to play a major role in securing the financial obligations of COA until COA is able to maintain financial obligations without EGL-MS’s assistance.

A copy of Empire Green Labs Management Services’ and Cannabis of America’s articles of organization and operating agreements are included as exhibits to this section.

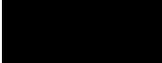
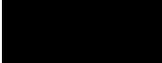
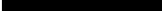
74. B. Is any owner, partner or member of the applicant not a natural person?  Yes

If the answer to this question is “Yes,” a statement must be included with this application setting forth the name and address of the entity, the primary activities of the entity, the interest in the applicant held by the entity, and the extent to which the entity will be involved in the activities of the applicant, and responsible for the financial and contractual obligations of the applicant. The organizational and operational documents of the entity must also be submitted, including but not limited to, as applicable: the certificate of incorporation, bylaws, articles of organization, partnership agreement, operating agreement, and all amendments thereto, and other applicable documents and agreements including in relation to the entity’s financial or contractual obligations with respect to the applicant, and the identification of all those holding an interest or ownership in the entity and the percentage of interest or ownership held in the entity. If an interest of ownership in the entity is not held by a natural person, the information and documentation requested herein must be provided going back to the level of ownership by a natural person (Principal Stakeholder).

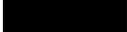
**Response:**

As outlined in response to 74 A., Cannabis of America, LLC is a wholly owned subsidiary of Empire Green Labs Management Services, LLC (“EGL-MS”). Both companies were formed as New York State limited liability companies.

The parent company’s (Empire Green Labs Management Services, LLC) members and their respective equity interests are as follows:

- |                       |   |
|-----------------------|---|
| 1. JJSL Medical, LLC: | 80%   |
| 2. Thomas Macre, Sr.  |  |
| 3. Thomas Macre, Jr.  |  |
| 4. Jonathan E. Kaelin |  |

Voting rights in EGL-MS are equally weighted between three (3) members as follows:

- |                      |   |
|----------------------|---|
| 1. JJSL Medical, LLC | 33 1/3  |
| 2. Thomas Macre, Sr. |  |
| 2. Thomas Macre, Jr  |  |

JJSL Medical, LLC was formed as a single member New York State limited liability company by Peter Cantone for general purposes. The principal office of JJSL Medical is located at:

22 Bailey Place  
New Rochelle, NY 10801

Copies of EGL-MS’ and JJSL’s articles of organization and operating agreements are included as exhibits for this section.

FILING RECEIPT

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ENTITY NAME: EMPIRE GREEN LABS MANAGEMENT SERVICES, LLC

DOCUMENT TYPE: ARTICLES OF ORGANIZATION (DOM LLC)

COUNTY: NEWY

=====

FILED:05/04/2015 DURATION:\*\*\*\*\* CASH#:150504000172 FILM #:150504000167  
DOS ID:4752502

FILER:

EXIST DATE

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SULLIVAN P.C.  
7 EAST 20TH STREET  
SUITE 4R  
NEW YORK, NY 10003

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05/04/2015

ADDRESS FOR PROCESS:

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C/O SULLIVAN P.C.  
7 EAST 20TH STREET  
NEW YORK, NY 10033

REGISTERED AGENT:

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The limited liability company is required to file a Biennial Statement with the Department of State every two years pursuant to Limited Liability Company Law Section 301. Notification that the biennial statement is due will only be made via email. Please go to [www.email.ebiennial.dos.ny.gov](http://www.email.ebiennial.dos.ny.gov) to provide an email address to receive an email notification when the Biennial Statement is due.

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SERVICE COMPANY: UNITED CORPORATE SERVICES - 37

SERVICE CODE: 37 \*

FEEs	235.00
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FILING	200.00
TAX	0.00
CERT	0.00
COPIES	10.00
HANDLING	25.00

PAYMENTS	235.00
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CASH	0.00
CHECK	0.00
CHARGE	0.00
DRAWDOWN	235.00
OPAL	0.00
REFUND	0.00

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DOS-1025 (04/2007)

***STATE OF NEW YORK***  
***DEPARTMENT OF STATE***

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the Department of State, at the City of Albany, on May 5, 2015.

*Anthony Giardina*

Anthony Giardina  
Executive Deputy Secretary of State

150504000167

**ARTICLES OF ORGANIZATION**

**OF**

**Empire Green Labs Management Services, LLC**

**Under and Pursuant to Section 203 of the Limited Liability Company Law  
of the State of New York**

The undersigned being the organizer of the Limited Liability Company does hereby certify:

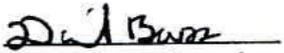
FIRST: The name of the limited liability company is:

**Empire Green Labs Management Services, LLC**

SECOND: The office of the Limited Liability Company shall be located in the County of New York.

THIRD: The Secretary of State is designated as the agent of the Limited Liability Company upon whom process against the Limited Liability Company may be served, and the address to which the Secretary of State shall mail a copy of any process against the Limited Liability Company served upon him is c/o Sullivan P.C., 7 East 20th Street, New York, NY 10033.

IN WITNESS WHEREOF, I hereunto sign my name this first day of May, 2015.

  
David Bass, Organizer

UNI-37

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ARTICLES OF ORGANIZATION

OF

Empire Green Labs Management Services, LLC

Under and Pursuant to Section 203 of the Limited Liability Company Law  
of the State of New York

FILED  
2015 MAY -4 PM 1:08

Sullivan P.C.  
7 East 20th Street, Suite 4R  
New York, NY 10003

RECEIVED  
2015 MAY -1 PM 4:05

JCC  
STATE OF NEW YORK  
DEPARTMENT OF STATE  
FILED MAY 04 2015  
TAXS  
BY: Kus

Customer Reference # EMPIR50216&

DRAWDOWN

172



***United Corporate Services, Inc.***

100 State Street  
Albany, New York 12207  
www.unitedcorporate.com

Voice (877)894-9049  
Fax (518)694-4417

**RE: Empire Green Labs Management Services, LLC**

Empire Green Labs Management Services, LLC, a Limited Liability Company formed under the laws of the State of New York.

**STATEMENT OF RESIGNATION AND CONCLUDED PARTICIPATION**

Solely for your convenience and to expedite the filing of the formation document for the above name company, United Corporate Services or one of its affiliates has caused the said formation document to be signed by our employee(s). We and our employee(s) do not have, and have never had, any other connection with the said company. The conclusion of our participation in this said company's formation is effective at the moment of the said company's formation. In the event that our signing results in our being regarded as a member and/or manager of the said company, this statement constitutes the resignation of our said employee(s) from those capacities effective at the moment of said company's formation.

Dated: 5/4/15

By: David Bass

David Bass  
Organizer/Authorized Person

OPERATING AGREEMENT  
OF  
Empire Green Labs Management Services LLC  
A New York Limited Liability Company

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This Operating Agreement (this "Agreement") is made and entered into this \_\_\_\_\_ day of May, 2015 ("Effective Date") by and among Empire Green Labs Management Services LLC ("Company") and each of the Members whose signatures appear on the signature page hereof (each a "Member"). In consideration of the mutual covenants herein contained and for other good and valuable consideration, the Members and the Company (and each person who subsequently becomes an Equity Owner) hereby agree as follows:

## ARTICLE 1. DEFINITIONS

The following terms used in this Agreement shall have the following meanings (unless otherwise expressly provided herein):

- 1.1 **Act.** Act shall mean the New York Limited Liability Company Act, as amended.
- 1.2 **Adjusted Capital Contributions.** Adjusted Capital Contributions shall mean an amount equal to such Equity Owner's Capital Contributions, if any, pursuant to Sections 8.1 and 8.2, less any Distributions made to such Equity Owner pursuant to Section 9.4(c).
- 1.3 **Affiliate.** Affiliate shall mean, with respect to any Person: (i) any Person directly or indirectly controlling, controlled by, or under common control with such Person, or (ii) any officer, director, or general partner of such Person. For purposes of this definition, the term "controls," "is controlled by," or "is under common control with" shall mean the possession, direct or indirect, 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.
- 1.4 **Agreement.** Agreement shall mean this Operating Agreement of Empire Green Labs Management Services LLC as originally executed and as the same may be amended from time to time.
- 1.5 **Articles of Organization.** The Articles of Organization of the Company as filed with the Secretary of State as the same may be amended from time to time.
- 1.6 **Capital Account.** Capital Account as of any given date shall mean the Capital Account of each Equity Owner as described in Article 8 and maintained to such date in accordance with this Agreement.
- 1.7 **Capital Contribution.** Capital Contribution shall mean any contribution to the capital of the Company in cash or property by an Equity Owner whenever made. "Initial Capital Contribution" shall mean the initial contribution to the capital of the Company pursuant to this Agreement.
- 1.8 **Code.** Code shall mean the Internal Revenue Code of 1986, as amended from time to time, or corresponding provisions of subsequent revenue laws.
- 1.9 **Company.** Company shall mean Empire Green Labs Management Services LLC.
- 1.10 **Company Property.** All assets (real or personal, tangible or intangible, including cash and including, without limitation, the Intellectual Property) of the Company.
- 1.11 **Deficit Capital Account.** Deficit Capital Account shall mean with respect to any Equity Owner, the deficit balance, if any, in such Equity Owner's Capital Account as of the end of the Fiscal Year, after giving effect to the following adjustments:
  - (a) credit to such Capital Account the amount, if any, which such Equity Owner is obligated to restore under Section 1.704-1(b)(2)(ii)(c) of the Regulations, as well as any

addition thereto pursuant to the next to last sentence of Sections 1.704-2(g)(1) and (i)(5) of the Regulations, after taking into account thereunder any changes during such year in partnership minimum gain as determined in accordance with Section 1.704-2(d) of the Regulations ("Company Minimum Gain") and in any partner nonrecourse debt minimum as determined under Section 1.704-2(i)(3) of the Regulations ("Member Minimum Gain"); and

(b) debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Regulations. This definition of Deficit Capital Account is intended to comply with the provisions of Regulation §§1.704-1(b)(2)(ii)(d) and 1.704-2, and shall be interpreted consistently with those provisions.

1.12 **Depreciation.** For each Fiscal Year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such Fiscal Year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Managers.

1.13 **Distributable Cash.** All cash, whether revenues or other funds received by the Company, less the sum of the following to the extent paid or set aside by the Company: (i) all principal and interest payments on indebtedness of the Company and all other sums paid to lenders; (ii) all cash expenditures incurred incident to the normal operation of the Company's business; and (iii) Reserves.

1.14 **Distribution.** Any Transfer of Company Property from the Company to or for the benefit of an Equity Owner by reason of such Equity Owner's ownership of an Economic Interest.

1.15 **Economic Interest.** An Equity Owner's share of one or more of the Profits, Losses and Distributions pursuant to this Agreement and the Act, but shall not include any right to participate in the management or affairs of the Company, including, the right to vote on, consent to or otherwise participate in any decision of the Members or Managers.

1.16 **Economic Interest Owner.** The owner of an Economic Interest who is not a Member.

1.17 **Entity.** Any general partnership (including a limited liability partnership), limited partnership (including a limited liability limited partnership), limited liability company, corporation, joint venture, trust, business trust, cooperative or association or any foreign trust or foreign business organization.

1.18 **Equity Owner.** An Economic Interest Owner or a Member.

1.19 **Fiscal Year.** The taxable year of the Company as determined under the Code.

1.20 **Gift.** A gift, bequest, or other transfer for no consideration, whether or not by operation of law, except in the case of bankruptcy.

1.21 **Gifting Equity Owner.** Any Equity Owner who gifts, bequeaths or otherwise transfers for no consideration (by operation of law or otherwise, except with respect to bankruptcy) all or any part of its Ownership Interest.

1.22 **Gross Asset Value.** Gross Asset Value means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by an Equity Owner to the Company shall be the gross fair market value of such asset, as determined by the contributing Member and the Managers, provided that the initial Gross Asset Values of the assets contributed to the Company pursuant to Section 8.1 hereof shall be as set forth in Exhibit 8.1, and provided further that, if the contributing Member is a Manager, the determination of the fair market value of any other contributed asset shall require the consent of the other Members owning a Majority Interest (determined without regard to the Voting Interest of such contributing Member), provided that the initial Gross Asset Values of the assets contributed to the Company by an Economic Interest Owner shall be determined by the Managers;

(b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as reasonably determined by the Managers as of the following times: (i) the acquisition of an additional interest by any new or then existing Equity Owner in exchange for more than a *de minimis* contribution of property (including money); (ii) the Distribution by the Company to an Equity Owner of more than a *de minimis* amount of property as consideration for an Ownership Interest; and (iii) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that adjustments pursuant to clauses (i) and (ii) above shall be made only if the Managers reasonably determine that such adjustments are necessary or appropriate to reflect the relative economic interests of the Equity Owners in the Company;

(c) The Gross Asset Value of any Company asset Distributed to any Equity Owner shall be adjusted to equal the gross fair market value of such asset on the date of Distribution as determined by the distributee and the Managers, provided that, if the distributee is a Manager, the determination of the fair market value of the Distributed asset shall require the consent of the other Members owning a Majority Interest (determined without regard to the Voting Interest of the distributee Member); and

(d) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Section 734(b) or Section 743(b) of the Code, but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulation §1.704-1(b)(2)(iv)(m) and Section 8.3 and subparagraph (e) under the definition of Profits and Losses; provided, however, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (d) of this definition to the extent that the Managers determine that an adjustment pursuant to subparagraph (b) of this definition is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (d).

(e) If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraph (a), (b) or (d) of this definition, then such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

1.23 **Intellectual Property.** The intellectual property of the Company, including, without limitation, and any continuation, extension, renewal, divisional and foreign rights arising therefrom.

1.24 **Majority Interest.** One or more Voting Interests of Members which taken together equal or exceed ninety two point five percent (92.5%) of the aggregate of all Voting Interests.

1.25 **Managers.** Managers shall mean one or more managers designated as provided in Section 5.2.

1.26 **Member.** The Persons defined as Members in the pre-amble of this Agreement and each of the parties who may hereafter become a Member in accordance with the terms of the Agreement.

1.27 **Membership Interest.** A Member's entire interest in the Company, including such Member's Economic Interest and such other rights and privileges that the Member may enjoy by being a Member.

1.28 **One Hundred Percent Interest.** One Hundred Percent Interest shall mean one or more Voting Interests of Members which taken together equal one hundred percent (100%) of the aggregate of all Voting Interests.

1.29 **Ownership Interest.** Ownership interest shall mean:

(a) in the case of a Member, the Member's Membership Interest; and

(b) in the case of an Economic Interest Owner, the Economic Interest Owner's Economic Interest.

1.30 **Person.** Any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such "Person" where the context so permits.

1.31 **Profits and Losses.** Profits and Losses shall mean for each Fiscal Year of the Company an amount equal to the Company's net taxable income or loss for such year as determined for federal income tax purposes (including separately stated items) in accordance with the accounting method and rules used by the Company and in accordance with Section 703 of the Code with the following adjustments:

(a) Any items of income, gain, loss and deduction allocated to Equity Owners pursuant to Sections 9.2, 9.3 or 9.13 shall not be taken into account in computing Profits or Losses;

(b) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits and Losses (pursuant to this definition) shall be added to such taxable income or loss;

(c) Any expenditure of the Company described in Section 705(a)(2)(B) of the Code and not otherwise taken into account in computing Profits and Losses (pursuant to this definition) shall be subtracted from such taxable income or loss;

(d) In the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraphs (b) or (c) of the definition of Gross Asset Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits and Losses;

(e) Gain or loss resulting from any disposition of any Company asset with respect to which gain or loss is recognized for federal income tax purposes shall be computed with reference to the Gross Asset Value of the asset disposed of, notwithstanding that the adjusted tax basis of such asset differs from its Gross Asset Value;

(f) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year; and

(g) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Section 734(b) or Section 743(b) of the Code is required pursuant to Section 1.704-1(b)(2)(iv)(m)(4) of the Regulations to be taken into account in determining Capital Accounts as a result of a Distribution other than in liquidation of an Ownership Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses.

1.32 **Regulations.** Regulations shall include proposed, temporary and final regulations promulgated under the Code in effect as of the date of filing the Articles of Organization and the corresponding sections of any regulations subsequently issued that amend or supersede such regulations.

1.33 **Reorganization.** Reorganization shall mean the merger or conversion of the Company, or a sale or other disposition of assets of the Company, or sale or other disposition of Ownership Interests, or other transaction pursuant to which a Person or Persons, other than the then current Members, acquire all or substantially all of the assets of, or Ownership Interests in, the Company in a single or series of related transactions, including without limitation, a merger or conversion of the Company into a corporation or other entity, whether or not such corporation or other entity has the same owners as the Company and whether or not additional capital is contributed to such corporation or other entity; and any act which would make it impossible for the Company to exploit, develop, use or Sell all or any material portion of the Intellectual Property.

1.34 **Reserves.** Reserves shall mean, with respect to any fiscal period, funds set aside or amounts allocated during such period to reserves which shall be maintained in amounts deemed sufficient by the Managers for working capital and for payment of taxes, insurance, debt service or other costs or expenses incident to the ownership or operation of the Company's business.

1.35 **Sale or Sell.** A sale, assignment, exchange, or other transfer for consideration, pledge, hypothecation, or grant of a mortgage or security interest or any encumbrance, or change in ownership by reason of the merger, conversion or other transformation in the identity or form of business organization of the owner, regardless of whether such change or transformation is characterized by state law as not changing the identity of the owner.

1.36 **Secretary of State.** The secretary of state of the State of New York.

1.37 **Selling Equity Owner.** Any Equity Owner that Sells, assigns, or otherwise transfers for consideration all or any portion of its Membership Interest or Economic Interest.

1.38 **Sharing Ratio.** The ratio used throughout this Agreement to determine the sharing of certain items. The Initial Sharing Ratio shall be:

<u>Member</u>	<u>Sharing Ratio</u>
JJSL Medical LLC	80%
Thomas Macre, Sr.	
Thomas Macre, Jr.	
Jonathan E. Kaelin	

The sharing ratio shall be adjusted from time to time as provided in this Agreement.

1.39 **State.** State shall mean the State of New York.

1.40 **Transfer.** Transfer shall mean any Sale, Gift, encumbrance, pledge or hypothecation.

1.41 **Transferring Equity Owner.** Transferring Equity Owner shall mean a Selling Equity Owner and a Gifting Equity Owner.

1.42 **Unrecovered Losses.** Unrecovered Losses shall have the meaning set forth in Section 9.1.

1.43 **Voting Interest.** The Interests used to determine the Members' respective voting rights on certain matters as provided in this Agreement. The Initial Voting Interest is:

<u>Member</u>	<u>Voting Interest</u>
JJSL Medical LLC	33.33%
Thomas Macre, Sr.	
Thomas Macre, Jr.	

## ARTICLE 2. FORMATION OF COMPANY

2.1 **Formation.** On October 2, 2014, the Company was organized as a limited liability corporation pursuant to the Act by the execution and delivery of articles of organization to the Secretary of State in accordance with and pursuant to the Act. The Company and the Members hereby forever discharge the Organizer of the Company, and the Organizer shall be indemnified by the Company and the Member from and against, any expense or liability actually incurred by the Organizer by reason of having been the organizer of the Company.

2.2 **Name.** The name of the Company is Empire Green Labs Management Services LLC.

2.3 **Principal Place of Business.** The principal place of business of the Company shall be 427 Manville Rd., Pleasantville, NY 10570. The Company may locate its places of business and registered office at any other place or places as the Managers may from time to time deem advisable.

2.4 **Registered Office and Registered Agent.** The Company's initial registered office and the name of the registered agent at such address shall be as set forth in the Articles. The registered office and registered agent may be changed from time to time by filing the address of the new registered office and/or the name of the new registered agent with the Secretary of State pursuant to the Act.

2.5 **Term.** The Company shall continue in existence until it terminates in accordance with the provisions of this Agreement or the Act.

## ARTICLE 3. BUSINESS OF COMPANY

3.1 **Permitted Business.** The business of the Company shall be:

(a) To accomplish any lawful business whatsoever, or which shall at any time appear conducive to or expedient for the protection or benefit of the Company and its assets, including without limitation to develop and exploit the Intellectual Property;

(b) To exercise all other powers necessary to or reasonably connected with the Company's business which may be legally exercised by limited liability companies under the Act;

and

(c) To engage in all activities necessary, customary, convenient, or incident to any of the foregoing.

**ARTICLE 4. NAMES AND ADDRESSES OF EQUITY OWNERS**

4.1 **Members.** The names and addresses of the Initial Members are as follows:

NAME	ADDRESS
JJSL Medical LLC	22 Bailey Place New Rochelle NY 10801
Thomas Macre, Sr.	Redacted pursuant to N.Y. Public Officers Law, Art. 6
Thomas Macre, Jr.	
Jonathan E. Kaelin	

4.2 **Equity Owners.** The names and addresses of other Equity Owners shall be maintained as provided under Section 13.1.

**ARTICLE 5. RIGHTS AND DUTIES OF MANAGERS**

5.1 **Management.** The business and affairs of the Company shall be managed by its Managers. Except for situations in which the approval of the Members is expressly required by this Agreement or by non-waivable provisions of applicable law, the Managers shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts and activities customary or incident to the management of the Company's business. At any time when there is more than one Manager, any one Manager may take any action permitted to be taken by the Managers, unless the approval of more than one of the Managers is expressly required pursuant to this Agreement or the Act or unless a majority of the Managers determine in a writing provided to the remaining Manager(s) prior to such Manager(s) taking a specified action that the approval of more than one of the Managers is required in order to take such action. Unless authorized to do so by this Agreement or by the Managers, no attorney-in-fact, employee or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable pecuniarily for any purpose.

5.2 **Number, Tenure and Qualifications.** The Company shall initially have three Manager who shall be Peter Cantone, Thomas Macre, Sr., Thomas Macre, Jr. The number of Managers shall be fixed from time to time by the affirmative vote of at least seventy six percent (76%) of the Economic Interest Owners of the Company, but in no instance shall there be less than one Manager. Each Manager shall hold office until such Manager resigns pursuant to Section 5.9 or is removed pursuant to Section 5.10. Managers shall be appointed by the affirmative vote of at

least seventy six percent (76%) of the Economic Interest Owners of the Company.

**5.3 Certain Powers of Managers.** Without limiting the generality of Section 5.1 but subject to the limitations of Section 5.4, the Managers shall have power and authority, on behalf of the Company:

(a) To acquire property from any Person as the Managers may determine. The fact that such Person is a Manager, Equity Owner, or Affiliate shall not prohibit the Managers from dealing with that Person;

(b) To borrow money for the Company from banks, other lending institutions, the Managers, Equity Owners, or Affiliates of the Managers or Equity Owners on such terms as the Managers deem appropriate, and in connection therewith, to hypothecate, encumber and grant security interests in Company Property to secure repayment of the borrowed sums;

(c) To purchase liability and other insurance to protect the Company's property and business;

(d) To hold and own any Company real and/or personal properties in the name of the Company;

(e) To invest any Company funds, including without limitation, in time deposits, short-term governmental obligations, commercial paper or other investments;

(f) To execute on behalf of the Company all instruments and documents, including, without limitation, checks, drafts, notes and other negotiable instruments; mortgages or deeds of trust; security agreements; financing statements; documents providing for the acquisition, mortgage or disposition of Company Property; assignments; bills of sale; leases; partnership agreements; operating or operating agreements of other limited liability companies; and any other instruments or documents necessary, in the opinion of the Managers, to the conduct of the business of the Company;

(g) To employ accountants, legal counsel, managing agents or other experts to perform services for the Company and to compensate them from Company funds;

(h) To enter into any and all other agreements on behalf of the Company, with any other Person for any purpose, in such forms as the Managers may approve;

(i) To execute and file such other instruments, documents and certificates which may from time to time be required by the laws of the State or any other jurisdiction in which the Company shall determine to do business, or any political subdivision or agency thereof, to effectuate, implement, continue and defend the valid existence of the Company; and

(j) To do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business.

**5.4 Limitations on Authority.** Notwithstanding any other provision of this Agreement, the Managers shall not cause or commit the Company to do any of the following without the express written consent of Members holding One Hundred Percent Interest:

(a) To cause the Company to be a party to a Reorganization, Sell or otherwise dispose all or substantially all of the Company Property or any Company Property other than in the ordinary course of business, or Sell all or any material portion of the Intellectual Property; or

(b) Cause the Company to commence a voluntary case as debtor under the United States Bankruptcy Code, as amended from time to time or any successor bankruptcy code.

**5.5 Liability for Certain Acts.**

(a) The Managers do not, in any way, guarantee the return of the Equity Owners' Capital Contributions or a profit for the Equity Owners from the operations of the Company.

(b) The Managers shall not be liable to the Company or to any Member for any loss or damage sustained by the Company or any Member (or successor thereto), except to the extent, if any, that the loss or damage shall have been the result of gross negligence, fraud, deceit, willful misconduct, or material breach of this Agreement.

**5.6 Managers and Members Have No Exclusive Duty to Company.** The Managers and Members shall have no exclusive duty to act on behalf of the Company. Each Manager and Member may have other business interests and may engage in other activities in addition to those relating to the Company. Neither the Company nor any Manager shall have any right, by virtue of this Agreement, to share or participate in any other investments or activities of any other Manager or Member. Neither any Manager nor any Equity Owner shall incur any liability to the Company or to any of the Equity Owners as a result of engaging in any other business or venture.

**5.7 Bank Accounts.** The Managers may from time to time open bank accounts in the name of the Company, and the Managers shall be the sole signatory thereon, unless the Managers determine otherwise.

**5.8 Indemnity of the Managers, Employees and Other Agents.**

(a) The Company shall indemnify each Manager for his actions as a Manager pursuant to this Agreement and make may advances for expenses to the maximum extent permitted under the Act, except to the extent the claim for which indemnification is sought results from an act or omission for which the Manager may be held liable to the Company or a Member under Section 5.5(b). The Company may indemnify its employees and other agents who are not Managers to the fullest extent permitted by law, provided that such indemnification in any given situation is approved by Members owning a Majority Interest.

(b) Expenses, including without limitation, legal fees and expenses, incurred by a Manager in defending any claim, demand, action, suit or proceeding subject to subsection (a) above may be paid by the Company in advance of the final disposition of such claim, demand, action, suit or proceeding.

**5.9 Resignation.** Any Manager may resign at any time by giving written notice to the Members. The resignation of any Manager shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The resignation of a Manager who is also an Equity Owner shall not affect the Manager's rights as an Equity Owner.

**5.10 Removal.** A Manager may be removed with or without cause at any time by a vote of at least seventy six percent (76%) of the Economic Interest Owners of the Company. The removal of a Manager who is also a Member shall not affect the Manager's rights as a Member and shall not constitute a withdrawal of a Member.

**5.11 Vacancies.** Any vacancy occurring for any reason in the number of Managers shall be filled by the affirmative vote of at least seventy six percent (76%) of the Economic Interest Owners of the Company. Any Manager's position to be filled by reason of an increase in the number of Managers shall be filled by the affirmative vote at least seventy six percent (76%) of the Economic Interest Owners of the Company.

**5.12 Compensation, Reimbursement, Organization Expenses.**

(a) The compensation of the Managers shall be fixed from time to time by an affirmative vote of at least seventy six percent (76%) of the Economic Interest Owners of the Company; provided that no Manager shall defer payment of any part of their compensation without the approval of a Majority Interest, and no Manager shall be prevented from receiving such compensation by reason of the fact that he is also a Member.

(b) The Managers shall cause the Company to make an appropriate election to treat the expenses incurred by the Company in connection with the formation and organization of the Company to be amortized under the 60-month period beginning with the month in which the Company begins business to the extent that such expenses constitute "organizational expenses" of the Company within the meaning of Code Section 709(b)(2).

**5.13 Right To Rely on the Managers.** Any Person dealing with the Company may rely upon a certificate signed by any Manager as to:

(a) The identity of any Manager or Equity Owner;

(b) The existence or nonexistence of any fact or facts which constitute a condition precedent to acts on behalf of the Company by any Manager or which are in any other manner germane to the affairs of the Company; or

(c) The Persons who are authorized to execute and deliver any instrument or document of the Company.

**ARTICLE 6. RIGHTS AND OBLIGATIONS OF EQUITY OWNERS**

**6.1 Limitation of Liability.** Except as otherwise provided by the non-waivable provisions of the Act and by this Agreement, no Equity Owner shall be liable for an obligation of the Company solely by reason of being or acting as an Equity Owner.

**6.2 List of Equity Owners.** Upon written request of any Member made in good faith and for a purpose reasonably related to the Member's rights as Member under this Agreement which reason shall be set forth in the written request, the Manager shall provide a list showing the names, addresses and Ownership Interests of all Equity Owners. Economic Interest Owners shall have no rights to information under this Section 6.2.

**6.3 Equity Owners Have No Agency Authority.** Except as expressly provided in this Agreement, the Equity Owners, in their capacity as Equity Owners, shall have no agency authority on behalf of the Company.

**6.4 Company Books.** In accordance with Section 9.10 herein, the Managers shall maintain and preserve, during the term of the Company, and for five years after dissolution, all accounts, books, and other relevant Company documents. Upon reasonable request, each Member shall have the right, during ordinary business hours, to inspect and copy such Company documents at the requesting Member's expense.

**6.5 Priority and Return of Capital.** Except as may be expressly provided in Article 9, no Equity Owner shall have priority over any other Equity Owner, either as to the return of Capital Contributions or as to Profits, Losses or Distributions; provided, however, that this Section 6.5 shall not apply to loans, as distinguished from Capital Contributions, which an Equity Owner has made to the Company.

**6.6 Equity Owner Voting.** Equity Owners who are not Members shall have no right

to vote or to participate in any manner in the management of the Company, provided however that regardless of their status as a Member, Equity Owners shall have the right to vote for the removal or installation of Members as provided in Article 5 herein. The method of notice, meeting and voting shall be as provided in Article 7 substituting Equity Owners for Members.

## **ARTICLE 7. ACTIONS OF MEMBERS**

**7.1 Actions of Members.** Unless otherwise required in this Agreement, actions and consents of the Members may be communicated or reflected orally, electronically or in writing, and no action need be taken at a formal meeting. Members may, but are not required to, meet from time to time on such notice, if any, as the Member convening the meeting chooses to give. Any consent required to be in writing may be evidenced by separate written counterparts. Any action of the Members shall be effective when a sufficient number of Members to take such action communicate their consent to the action to the Managers.

**7.2 No Required Meetings.** The Members may, but shall not be required to hold any annual, periodic or other formal meetings. However, meetings of the Members may be called by any Manager, who is also a Member, or by any Member or Members holding at least a Majority Interest of the Voting Interests.

**7.3 Place of Meetings.** The place of meeting for any meeting of the Members shall be at the offices of Sullivan PC, 7 East 20<sup>th</sup> Street, 4R, New York, NY 10003; and Members holding a Majority Interest may designate any other location as the place of meeting for any meeting of the Members.

**7.4 Notice of Meetings.** Except as provided in Section 7.5, written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than 10 nor more than 50 days before the date of the meeting, either personally or by certified mail, return receipt requested.

**7.5 Meeting of all Members.** If all of the Members shall meet at any time and place, either within or outside of the State, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting lawful action may be taken.

**7.6 Record Date.** For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any Distribution, or in order to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed or the date on which the resolution declaring such Distribution is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section 7.6, such determination shall apply to any adjournment thereof.

**7.7 Quorum.** Members holding at least a Majority Interest, represented in person or by proxy, shall constitute a quorum at any meeting of Members. In the absence of a quorum at any such meeting, a majority of the Voting Interests so represented may adjourn the meeting from time to time for a period not to exceed 60 days without further notice. However, if the adjournment is for more than 60 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting. At such adjourned meeting at which a quorum shall be present or represented,

any business may be transacted which might have been transacted at the meeting as originally noticed. The Members present at a duly organized meeting may not continue to transact business upon the withdrawal during such meeting of that number of Voting Interests whose absence would cause less than a quorum. The Company shall provide a written notice within ten (10) days after any meeting to any Member not present at said meeting of the actions taken at said meeting.

**7.8 Manner of Acting.** If a quorum is present, the affirmative vote of Members holding a Majority Interest shall be the act of the Members, unless the vote of a greater or lesser proportion or number is otherwise required by the Act, by the Articles of Organization, or by this Agreement. Unless otherwise expressly provided herein, Members who have an interest, economic or otherwise, in the outcome of any particular matter upon which the Members vote or consent may vote or consent upon any such matter and their Voting Interest, vote or consent, as the case may be, shall be counted in the determination of whether the requisite matter is approved by the Members.

**7.9 Proxies.** At all meetings of Members, a Member who is qualified to vote may vote in person or by proxy executed in a notarized writing by the Member or by a duly authorized attorney-in-fact. Such proxy shall be filed with the Managers before or at the time of the meeting. No proxy shall be valid after 30 days from the date of its execution, unless otherwise provided in the proxy.

**7.10 Action by Members Without a Meeting.** Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents or approvals describing the action taken and signed by Members holding sufficient Voting Interests, as the case may be, to approve such action had such action been properly voted on at a duly called meeting of the Members. Action taken under this Section 7.10 is effective when Members with the requisite Interests or Voting Interests, as the case may be, have signed the consent or approval, unless the consent specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

**7.11 Waiver of Notice.** When any notice is required to be given to any Member, a waiver thereof in a notarized executed writing signed by the person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

## **ARTICLE 8. CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS**

**8.1 Intentionally omitted.**

**8.2 Additional Contributions.** No Equity Owner shall be required to make any Capital Contributions. To the extent approved by Members holding One Hundred Percent Interest, from time to time, the Equity Owners may be permitted to make additional Capital Contributions if and to the extent they so desire, and if the Managers determine that such additional Capital Contributions are necessary or appropriate in connection with the conduct of the Company's business, including without limitation, expansion or diversification. In such event, the Equity Owners shall have the opportunity, but not the obligation to participate in such additional Capital Contributions proportionate to their Sharing Ratios.

**8.3 Capital Accounts.**

(a) A separate Capital Account shall be maintained for each Equity Owner.

(i) Each Equity Owner's Capital Account shall be increased by: (1) the amount of money contributed by such Equity Owner to the Company; (2) the fair market value of property contributed by such Equity Owner to the Company, net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under Section 752 of the Code; (3) allocations to such Equity Owner of Profits; and (4) any items in the nature of income and gain which are specially allocated to the Equity Owner pursuant to Sections 9.2 and 9.3.

(ii) Each Equity Owner's Capital Account shall be decreased by: (1) the amount of money Distributed to such Equity Owner by the Company; (2) the fair market value of property Distributed to such Equity Owner by the Company, net of liabilities secured by such Distributed property that such Equity Owner is considered to assume or take subject to under Section 752 of the Code; (3) any items in the nature of deduction and loss that are specially allocated to the Equity Owner pursuant to Sections 9.2 and 9.3; and (4) allocations to such Equity Owner of Losses.

(b) Without limiting the other rights and duties of a transferee of an Ownership Interest pursuant to this Operating Agreement, in the event of a permitted sale or exchange of an Ownership Interest in the Company, (1) the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Ownership Interest in accordance with Section 1.704-1(b)(2)(iv) of the Regulations; and (2) the transferee shall be treated as the transferor for purposes of allocations and distributions pursuant to Article 9 herein to the extent that such allocations and distributions relate to the transferred Ownership Interest.

(c) The manner in which Capital Accounts are to be maintained pursuant to this Section 8.3 is intended to comply with the requirements of Section 704(b) of the Code and the Regulations promulgated thereunder. If in the opinion of the Company's accountants the manner in which Capital Accounts are to be maintained pursuant to the preceding provisions of this Section 8.3 should be modified in order to comply with Section 704(b) of the Code and the Regulations thereunder, then, notwithstanding anything to the contrary contained in the preceding provisions of this Section 8.3, the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the Equity Owners.

(d) Upon liquidation of the Company, liquidating Distributions shall be made in accordance with the positive Capital Account balances of the Equity Owners, as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs. Liquidation proceeds shall be paid in accordance with Section 12.3. The Company may offset damages for breach of this Agreement by any Equity Owner whose interest is liquidated, either upon the withdrawal of the Equity Owner or the liquidation of the Company, against the amount otherwise Distributable to such Equity Owner. No Equity Owner shall have any obligation to restore all or any portion of a deficit balance in such Equity Owner's Capital Account.

#### **8.4 Withdrawal or Reduction of Equity Owners' Contributions to Capital.**

(a) An Equity Owner shall not receive a Distribution of any part of its Capital Contribution to the extent such Distribution would violate Section 9.5.

(b) Intentionally omitted.

**8.5 Remedies for Nonpayment of Additional Capital Contributions.** Failure of any Equity Owner to make full and timely payment to the Company of any additional Capital Contribution properly assessed hereunder shall constitute a breach of this Agreement and any such Equity Owner shall be hereinafter referred to as a "Defaulting Equity Owner". Upon such a breach, the Managers shall promptly give notice ("Default Notice") to all Equity Owners of: (a) the breach; and (b) a Special Meeting to discuss the appropriate course of action. The Equity Owners who timely satisfied their obligation to make the required Additional Capital Contributions ("Non-Defaulting Equity Owners") may, upon the affirmative vote of those Non-Defaulting Equity Owners which must be Members holding a Majority Interest, pursue the following courses of action:

(a) The Non-Defaulting Equity Owners, shall have an option, but no obligation, to loan to the Company within sixty (60) days after the Default Notice is given ("Loan Decision Period") the amount which the Defaulting Equity Owners have failed to contribute to the Company proportionate to the ratio of the interest in Profits held by each respective Equity Owner electing to loan funds, to the interest in Profits Interests held by all Equity Owners electing to advance funds. The amount that is loaned by any Non-Defaulting Equity Owner shall, at the election of each such Equity Owner exercised by written notice to the Defaulting Equity Owner and the Company at the time the loan is made, be treated in either one of the following manners ((1) or (2)):

(1) The loan may be treated as a loan to the Company, bearing interest at a floating rate equal to the lesser of the highest rate allowed by law or five percentage points higher than the prime commercial lending rate in effect from time to time at the principal bank used by the Company for banking and borrowing purposes ("Default rate"), payable out of any funds paid by, or withheld by the Company from, the Defaulting Equity Owner to cure the breach, or at such other time as the Company and the lending Equity Owners may agree. Payments shall be credited first to accrued interest. The promissory note or other loan documentation shall contain such other terms and conditions as mutually agreed by the Company and the lending Equity Owners.

(2) The loan may be treated as a loan to the Defaulting Equity Owner, followed by a contribution of the borrowed funds to the Company by the Defaulting Equity Owner curing the breach in whole or in part. Such a loan shall be payable on demand and bear interest at the default rate provided in Section 8.5(a)(1) above. Until the Defaulting Equity Owner's debt to any Non-Defaulting Equity Owners, together with interest thereon, is paid in full, any funds or property which would otherwise be Distributed to the Defaulting Equity Owner from time to time hereunder shall be paid to such Non-Defaulting Equity Owners, according to their respective shares of loans which are treated as loans to the Defaulting Equity Owner. Any such payments shall be deemed to be Distributions to the Defaulting Equity Owner by the Company, followed by appropriate payments by the Defaulting Equity Owner to the respective Non-Defaulting Equity Owners. Payments shall be credited first to accrued interest. Payments to Non-Defaulting Equity Owners of loans by them pursuant to either Section 8.5(a)(1) or 8.5(a)(2) shall be made *pari passu*.

(b) If the Non-Defaulting Equity Owners do not make loans pursuant to Section 8.5(a) in an amount at least equal to the amount which the Defaulting Equity Owner failed to contribute and the Defaulting Equity Owner has not cured said breach prior to the expiration of

the Loan Decision Period, then promptly upon the expiration of the Loan Decision Period, the Managers shall give notice ("Default Purchase Option Notice" as more fully described below) to all of the Equity Owners. The Non-Defaulting Equity Owners shall have the option, but no obligation, for the sixty (60)-day period commencing upon the date of the Default Purchase Option Notice to purchase all, but not less than all, of a Defaulting Equity Owner's Interest as provided in this Section 8.5(b). The option granted in this Section 8.5(b) (the "Default Purchase Option") shall be exercisable in the following manner and in accordance with the following terms:

(1) The Default Purchase Option Notice shall notify the Non-Defaulting Equity Owners that they have the opportunity to purchase all, but not less than all, of the Ownership Interest owned by the Defaulting Equity Owner ("Available Ownership Interest").

(2) A Non-Defaulting Equity Owner wishing to exercise the Default Purchase Option shall so notify ("Exercise Notice") the Defaulting Equity Owner and the Company within forty-five (45) days after the date that the Default Purchase Option Notice is given.

(3) Each Non-Defaulting Equity Owner electing to exercise the Default Purchase Option (each an "Electing Equity Owner" and collectively "Electing Equity Owners") shall be entitled to purchase a portion of the Available Ownership Interest proportionate to the Electing Equity Owner's sharing ratio.

(4) The closing for any purchase and sale of the Available Ownership Interest pursuant to this Section 8.5(b) shall take place within ninety (90) days after the date that the Default Purchase Option Notice is given. The specific time and place of closing shall be as agreed by the Electing Equity Owners and the Defaulting Member; provided, however, that in the absence of agreement, the closing shall take place at the offices of Sullivan PC, 7 East 20<sup>th</sup> Street, 4R, New York, NY 10003.

(5) The price for the Defaulting Equity Owner's Ownership Interest ("Default Buyout Price") shall be equal to the Defaulting Equity Owner's Capital Account balance as of the last day of the month preceding the month in which the Exercise Notice is given. For purposes of this Section 8.5(b), the Company's independent certified public accountant shall determine the balance in the Defaulting Equity Owner's Capital Account, and such determination shall be final for purposes of this Agreement.

(6) Upon any purchase of a Defaulting Equity Owner's Ownership Interest pursuant to this Section 8.5(b), the Default Buyout Price may be paid at closing in immediately available funds, or, in the sole discretion of each Electing Equity Owner, by delivering at closing a note issued by the Electing Members as payment for the portion of the Buyout Price attributable to the portion of the Ownership Interest to be purchased by the Electing Equity Owner. The notes issued as payment for the Default Buyout Price shall be negotiable promissory notes of the Company or of the Electing Equity Owner, as appropriate, bearing interest per annum at a floating rate one percentage point over the prime commercial lending rate in effect from time to time at the principal bank used by the Company for banking and borrowing purposes. Any such notes shall provide for payments of principal and interest in equal consecutive monthly installments over a period of not more than five years from the date of issuance of such note, commencing from the date of issuance of such note. Any such notes shall be pre-payable without penalty, in whole or in part, with prepayments applied to the last installment or installments coming

due. Such notes shall provide that if any installment of principal or interest is not paid when due or if suit is brought thereon, the maker will pay all costs of collection, including reasonable attorneys' fees.

(7) After purchasing an Available Ownership Interest, each Electing Equity Owner shall make an additional Capital Contribution to the Company in an amount equal to the proportionate share of the Defaulted Capital Contribution attributable to the portion of the Available Ownership Interest purchased by the Electing Equity Owner.

## **ARTICLE 9. ALLOCATIONS, INCOME TAX, DISTRIBUTIONS, ELECTIONS AND REPORTS**

**9.1 Allocations of Profits and Losses from Operations.** Except as provided in Sections 9.2 and 9.3, the Profits and Losses for each Fiscal Year shall be allocated as follows:

(a) Losses shall be allocated among the Equity Owners in proportion to their Adjusted Capital Contributions

(b) Profits shall be allocated as follows:

(i) First, to each Equity Owner which previously has been allocated Losses pursuant to Section 9.1(a) which have not been fully offset by allocations of Income pursuant to this Section 9.1(b)(i) ("Un-recovered Losses") until the total amount of Profits allocated to each such Equity Owner pursuant to this Section 9.1 (b)(i) is equal to the total amount of Losses which have been allocated to such Equity Owner pursuant to Section 9.1(a). Profits allocated pursuant to this Section 9.1(b)(i) shall be allocated to the Equity Owners in proportion to their respective Un-recovered Losses;

(ii) Second, to each Equity Owner an amount equal to the total amount Distributed to such Equity Owner pursuant to Section 9.4(b) proportionate with the total amount Distributed to the Equity Owners pursuant to Section 9.4(b);

(iii) Third, to the Equity Owners in proportion to their Sharing Ratios.

**9.2 Special Allocations to Capital Accounts.** Notwithstanding Section 9.1 hereof:

(a) In the event that any Equity Owner unexpectedly receives any adjustments, allocations or Distributions described in Sections 1.704-1(b)(2)(ii)(d)(4), (5), or (6) of the Regulations, which create or increase a Deficit Capital Account of such Equity Owner, then items of Company income and gain, consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year and, if necessary, for subsequent years, shall be specially allocated to such Equity Owner in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Deficit Capital Account so created as quickly as possible. It is the intent that this Section 9.2(a) be interpreted to comply with the alternate test for economic effect set forth in Section 1.704-1(b)(2)(ii)(d) of the Regulations.

(b) The Losses allocated pursuant to Section 9.1 hereof shall not exceed the maximum amount of Losses that can be so allocated without causing any Member to have a Deficit Capital Account at the end of any Fiscal Year. In the event that some, but not all, of the Members would have Deficit Capital Accounts as a consequence of an allocation of Losses pursuant to Section 9.1 hereof, the limitation set forth in the preceding sentence shall be applied on a Member by Member basis so as to allocate the maximum permissible Losses to each Member under Section 1.704-1(b)(2)(ii)(d) of the Regulations. All Losses in excess of the limitation set forth in this

Section 9.2(b) shall be allocated to the Members in proportion to their respective positive Capital Account balances, if any, and thereafter to the Members in accordance with their interests in the Company as determined by the Managers in their reasonable discretion. In the event that any Equity Owner would have a Deficit Capital Account at the end of any Fiscal Year which is in excess of the sum of any amount, if any, that such Equity Owner is obligated to restore to the Company under Section 1.704-1(b)(2)(ii)(c) of the Regulations and such Equity Owner's share of Company Minimum Gain as defined in Section 1.704-2(g)(1) of the Regulations (which is also treated as an obligation to restore in accordance with Section 1.704-1(b)(2)(ii)(d) of the Regulations), the Capital Account of such Equity Owner shall be specially credited with items of Company income, including gross income, and gain in the amount of such excess as quickly as possible.

(c) Notwithstanding any other provision of this Section 9.2, if there is a net decrease in the Company Minimum Gain as during a Fiscal Year, then the Capital Accounts of each Equity Owner shall be allocated items of income, including gross income, and gain for such Fiscal Year, and if necessary for subsequent Fiscal Years, equal to that Equity Owner's share of the net decrease in Company Minimum Gain. This Section 9.2(c) is intended to comply with the minimum gain chargeback requirement of Section 1.704-2 of the Regulations and shall be interpreted consistently therewith. If in any Fiscal Year that the Company has a net decrease in the Company Minimum Gain, if the minimum gain chargeback requirement would cause a distortion in the economic arrangement among the Equity Owners and it is not expected that the Company will have sufficient other income to correct that distortion, the Managers may in their discretion seek to have the Internal Revenue Service waive the minimum gain chargeback requirement in accordance with Section 1.704-2(f)(4) of the Regulations.

(d) Notwithstanding any other provision of this Section 9.2, except Section 9.2(c), if there is a net decrease in Member Minimum Gain attributable to a Member Non-recourse Debt during any Company Fiscal Year, each Member who has a share of the Member Minimum Gain as of the beginning of the Fiscal Year shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) equal to such Member's share of the net decrease in Member Minimum Gain attributable to such Member Non-recourse Debt. A Member's share of the net decrease in Member Minimum Gain shall be determined in accordance with Section 1.704-2(i)(4) of the Regulations; provided, however, that a Member shall not be subject to this provision to the extent that an exception is provided by Section 1.704-2(i)(4) of the Regulations and any Revenue Rulings issued with respect thereto. Any Member Minimum Gain allocated pursuant to this provision shall consist of first, gains recognized from the disposition of Company Property subject to the Member Non-recourse Debt, and, second, if necessary, a pro rata portion of the Company's other items of income or gain, including gross income, for that Fiscal Year. This Section 9.2(d) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

(e) Items of Company loss, deduction and expenditures described in Section 705(a)(2)(B) of the Code which are attributable to any non-recourse debt of the Company and are characterized as partner non-recourse deductions under Section 1.704-2(i) of the Regulations shall be allocated to the Equity Owners' Capital Accounts in accordance with said Section 1.704-2(i) of

the Regulations.

(f) Beginning in the first taxable year in which there are allocations of "non-recourse deductions", described in Section 1.704-2(b) of the Regulations, such deductions shall be allocated to the Equity Owners in the same manner as Loss is allocated for such period.

(g) To the extent that an adjustment to the adjusted tax basis of any Company asset pursuant to Section 734(b) or 743(b) of the Code is required pursuant to Section 1.704-1(b)(2)(iv)(m)(2) or 1.704-1(b)(2)(iv)(m)(4) of the Regulations, to be taken into account in determining Capital Accounts as the result of a Distribution to an Equity Owner in complete liquidation of its Ownership Interest, the amount of such adjustment to Capital Accounts shall be treated as an item of gain, if the adjustment increases the basis of them asset, or loss, if the adjustment decreases such basis, and such gain or loss shall be specially allocated to the Equity Owners in accordance with their interests in the Company in the event Section 1.704-1(b)(2)(iv)(m)(2) of the Regulations applies, or to the Equity Owner to whom such Distribution was made in the event Section 1.704-1(b)(2)(iv)(m)(4) of the Regulations applies.

(h) Any income, gain, loss or deduction realized by the Company as a direct or indirect result of the issuance of an interest in the Company by the Company to an Equity Owner ("Issuance Items") shall be allocated among the Equity Owners so that, to the extent possible, the net amount of such Issuance Items, together with all other allocations under this Agreement to each Equity Owner, shall be equal to the net amount that would have been allocated to each such Equity Owner if the Issuance Items had not been realized.

**9.3 Credit or Charge to Capital Accounts.** Any credit or charge to the Capital Accounts of the Equity Owners pursuant to Sections 9.2(a), 9.2(b), 9.2(c), 9.2(d), 9.2(e), 9.2(f) and 9.2(g) ("Regulatory Allocations") hereof shall be taken into account in computing subsequent allocations of Profits and Losses pursuant to Section 9.1, so that the net amount of any items charged or credited to Capital Accounts pursuant to Section 9.1 and the Regulatory Allocations hereof and this Section 9.3 shall to the extent possible, be equal to the net amount that would have been allocated to the Capital Account of each Equity Owner pursuant to the provisions of this Article 9 if the special allocations required by the Regulatory Allocations hereof had not occurred.

**9.4 Distributions.** Except as provided in Sections 8.3(d) (with respect to liquidating Distributions) and 9.5 (with respect to limitations on Distributions), the Managers shall Distribute Distributable Cash to the Equity Owners as follows:

(a) First, to each Equity Owner in proportion to the federal taxable income of the Company which will be allocated to such Equity Owner ("Tax Profits") for the current Fiscal Year as reasonably estimated by the Managers no later than 10 days prior to the dates that federal estimated quarterly taxes are due for individuals an amount equal to the remainder, if any, of: (x) forty percent (40%) of the estimated Tax Profits allocable to such Equity Owner for the portion of the year ending on the last day of the most recent quarter, minus (y) the sum of all Distributions made to each such Equity Owner pursuant to this Section 9.4(a) with respect to such Fiscal Year, plus forty percent (40%) of any Un-recovered Tax Losses attributable to such Equity Owner as of the first day of the current Fiscal Year. The Un-recovered Tax Losses attributable to an Equity Owner shall mean the positive remainder, if any, of such Equity Owner's share of Company federal tax losses for all prior Fiscal Years minus the Equity Owner's share of Tax Profits for all prior Fiscal Years. The objective of this Section 9.4(a), is to make distributions with reference to each

Equity Owner's, and such Equity Owner's predecessor's, share of cumulative Company taxable income or loss. Without limiting this objective, for purposes of this Section 9.4(a), an Equity Owner's share of Tax Profits and Un-recovered Tax Losses shall be determined with reference to Sections 704(c), 734, and 743 of the Code.

(b) Second, to the Equity Owners until they have received aggregate Distributions under this Section 9.4(b) equal to the mathematical equivalent of interest at the rate of twenty five percent (25%) simple interest per annum on the balance from time to time of their respective Adjusted Capital Contributions.

(c) Third, to the Equity Owners proportionate with their Adjusted Capital Contributions until the amount of their respective Adjusted Capital Contributions equals zero.

(d) Fourth, to the Equity Owners in accordance with their Sharing Ratios.

All Distributions which, when made, exceed the recipient Equity Owner's basis in that Equity Owner's Ownership Interest shall be considered advances or drawings against the Equity Owner's Distributive share of Income. To the extent it is determined at the end of the Fiscal Year that the recipient Equity Owner has not been allocated Income that equals or exceeds the total of such advances or drawings for such year, such Equity Owner shall be obligated to re-contribute any such advances or drawings to the Company. Notwithstanding the foregoing sentence, an Equity Owner will not be required to re-contribute such advances or drawings to the extent that, on the last day of the Fiscal Year, such Equity Owner's basis in its Ownership Interest in the Company has increased from the time of such advance or drawing. Any advance or drawings which are re-contributed by a Member pursuant to this Section 9.4, shall be redistributed to such Member either at the option of such Member or at such time that such distribution will not exceed such Member's basis in its Ownership Interest.

**9.5 Limitation Upon Distributions.** No Distribution shall be made if such Distribution would violate the Act.

**9.6 Accounting Principles.** For financial reporting purposes, the Company shall use accounting principles applied on a consistent basis using the accrual method of accounting determined by the Managers, unless the Company is required to use a different method of accounting for federal income tax purposes, in which case that method of accounting shall be the Company's method of accounting.

**9.7 Interest on and Return of Capital Contributions.** No Member shall be entitled to interest on its Capital Contribution or to return of its Capital Contribution, except as otherwise specifically provided for herein.

**9.8 Loans to Company.** Nothing in this Agreement shall prevent any Member from making secured or unsecured loans to the Company by agreement with the Company.

**9.9 Accounting Period.** The Company's accounting period shall be the Fiscal Year.

**9.10 Records and Reports.** At the expense of the Company, the Managers shall maintain records and accounts of all operations and expenditures of the Company. At a minimum the Company shall keep at its principal place of business the following records:

(a) A current list of the full name and last known business, residence, or mailing address of each Equity Owner and Manager, both past and present;

(b) A copy of the Articles of Organization and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any amendment has been

executed;

(c) Copies of the Company's federal, state, and local income tax returns and reports, if any, for the four most recent Fiscal Years;

(d) Copies of the Company's currently effective written Agreement, copies of any writings permitted or required with respect to an Equity Owner's obligation to contribute cash, property or services, and copies of any financial statements of the Company for the three (3) most recent Fiscal Years;

(e) Minutes of every annual, special and court-ordered meeting;

(f) Any written consents obtained from Members for actions taken by Members without a meeting.

**9.11 Returns and Other Elections.** The Managers shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to the Equity Owners within a reasonable time after the end of the Fiscal Year. All elections permitted to be made by the Company under federal or state laws shall be made by the Managers in their sole discretion; provided, however, that the Managers shall make any tax election requested by Members owning a Majority Interest.

**9.12 Tax Matters Partner.** Any Manager selected by a vote of the Managers, so long as the Manager so selected is also a Member, is hereby designated the Tax Matters Partner ("TMP") as defined in Section 6231(a)(7) of the Code. The TMP and the other Members shall use their reasonable efforts to comply with the responsibilities outlined in Sections 6221 through 6233 of the Code, including any Regulations promulgated thereunder, and in doing so shall incur no liability to any other Member.

**9.13 Certain Allocations for Income Tax (But Not Book Capital Account) Purposes.**

(a) In accordance with Section 704(c)(1)(A) of the Code and Section 1.704-1(b)(2)(i)(iv) of the Regulations, if a Member contributes property with an initial Gross Asset Value that differs from its adjusted basis at the time of contribution, income, gain, loss and deductions with respect to the property shall, solely for federal income tax purposes and not for Capital Account purposes, be allocated among the Equity Owners so as to take account of any variation between the adjusted basis of such property to the Company and its Gross Asset Value at the time of contribution pursuant to the traditional method under Section 1.704-3(b) of the Regulations

(b) Pursuant to Section 704(c)(1)(B) of the Code, if any contributed property is Distributed by the Company other than to the contributing Equity Owner within seven years of being contributed, then, except as provided in Section 704(c)(2) of the Code, the contributing Equity Owner shall, solely for federal income tax purposes and not for Capital Account purposes, be treated as recognizing gain or loss from the sale of such property in an amount equal to the gain or loss that would have been allocated to such Equity Owner under Section 704(c)(1)(A) of the Code if the property had been sold at its fair market value at the time of the Distribution.

(c) In the case of any Distribution by the Company to an Equity Owner, such Equity Owner shall, solely for federal income tax purposes and not for Capital Account purposes, be treated as recognizing gain in an amount equal to the lesser of:

(1) the excess, if any, of (A) the fair market value of the property (other than money) received in the Distribution over (B) the adjusted basis of such Equity Owner's Ownership Interest immediately before the Distribution reduced (but not below zero) by the amount of money received in the Distribution; or

(2) the Net Pre-contribution Gain, as defined in Section 737(b) of the Code, of the Equity Owner. The Net Pre-contribution Gain means the net gain, if any, which would have been recognized by the distributee Equity Owner under Section 704(c)(1)(B) of the Code if all property which (A) had been contributed to the Company within seven years of the Distribution, and (B) is held by the Company immediately before the Distribution, had been Distributed by the Company to another Equity Owner. If any portion of the property Distributed consists of property which had been contributed by the distributee Equity Owner to the Company, then such property shall not be taken into account under this Section 9.13(c) and shall not be taken into account in determining the amount of the Net Pre-contribution Gain. If the property Distributed consists of an interest in an Entity, the preceding sentence shall not apply to the extent that the value of such interest is attributable to the property contributed to such Entity after such interest had been contributed to the Company.

(d) All recapture of income tax deductions resulting from sale or disposition of Company Property shall be allocated to the Equity Owners to whom the deduction that gave rise to such recapture was allocated hereunder to the extent that such Equity Owner is allocated any gain from the sale or other disposition of such property.

## **ARTICLE 10. TRANSFERABILITY**

### **10.1 General.**

(a) Except as otherwise specifically provided herein, no Equity Owner shall have the right to Transfer the Equity Owner's Ownership Interest and any transfer by an Equity Owner in violation of the terms of this Article shall be void *ab initio*.

(b) Each Equity Owner hereby acknowledges the reasonableness of the restrictions on Transfer of Ownership Interests imposed by this Agreement in view of the Company purposes and the relationship of the Equity Owners. Accordingly, the restrictions on sale and gift contained herein shall be specifically enforceable.

### **10.2 Right of First Refusal.**

(a) A Selling Equity Owner that desires to sell all or any portion of its Ownership Interest to any person, including a Member or the Company shall obtain from such third party purchaser ("Third Party Purchaser") a bona fide written offer to purchase such interest, stating the terms and conditions upon which the purchase is to be made and the consideration offered therefor ("Third Party Offer"). The Selling Equity Owner shall give written notification ("Notice of Sale") to the Company and other Equity Owners who are Members ("Remaining Members"), by certified mail or personal delivery, of its intention to so transfer such Ownership Interest ("Offered Interest"). The Notice of Sale shall be accompanied by a copy of the Third Party Offer. If any portion of the purchase price offered by such third party purchaser consists of consideration other than cash or a promissory note ("Non-cash Consideration"), then: (1) the Notice of Sale also shall be accompanied by a good faith estimate by the Selling Equity Owner of the fair market value of the Non-cash Consideration, and (2) for purposes of Section 10.2(b) and

and the non-transferring Members.

(b) Upon and contemporaneously with any sale or gift of a Member's Ownership Interest, the Transferring Equity Owner shall cease to have any residual rights associated with the Ownership Interest transferred to the transferee.

**10.4 Additional Conditions to Recognition of Transferee.**

(a) If a Transferring Equity Owner sells or gifts an Ownership Interest to a Person who is not already a Member, as a condition to recognizing one or more of the effectiveness and binding nature of such sale or gift (subject to Section 10.3 above), the remaining Members may require the Transferring Equity Owner and the proposed successor-in-interest to execute, acknowledge and deliver to the Managers such instruments of transfer, assignment and assumption and such other certificates, representations and documents, and to perform all such other acts which the Managers may deem necessary or desirable to accomplish any one or more of the following:

(1) constitute such successor-in-interest as an Equity Owner;

(2) confirm that the proposed successor-in-interest as an Economic Interest Owner, or to be admitted as a Member, has accepted, assumed and agreed to be subject and bound by all of the terms, obligations and conditions of this Agreement, as the same may have been further amended whether such Person is to be admitted as a new Member or will merely be an Economic Interest Owner;

(3) preserve the Company after the completion of such sale, transfer, assignment, or substitution under the laws of each jurisdiction in which the Company is qualified, organized or does business;

(4) maintain the status of the Company for federal tax purposes; and

(5) assure compliance with any applicable state and federal laws, including securities laws and regulations.

(b) Any sale or gift of an Ownership Interest and admission of a Member in compliance with this Article 10 shall be deemed effective as of the last day of the calendar month in which the remaining Members' consent thereto was given or, if no such consent was required pursuant to Section 10.3, then on such date that the successor in interest complies with Section 10.4(a). The Transferring Equity Owner hereby indemnifies the Company and the remaining Members against any and all loss, damage, or expense, including, without limitation, tax liabilities or loss of tax benefits, arising directly or indirectly as a result of any transfer or purported transfer in violation of this Article 10.

**10.5 Transfers Among Existing Members.** From time to time the Existing Members may re-allocate Membership Interests among themselves and on such terms as the Members holding One Hundred Percent Interest may agree in writing.

**ARTICLE 11. ISSUANCE OF MEMBERSHIP INTERESTS**

**11.1 Issuance of Additional Membership Interests to New Members.** From the date of the formation of the Company, any Person whom Members holding One Hundred Percent Interest approve in writing may become a Member in the Company by the issuance by the Company of Membership Interests for such consideration as the Members holding One Hundred Percent Interest shall determine, subject to the terms and conditions of this Agreement.

**11.2 Part Year Allocations With Respect to New Members.** No new Members shall

be entitled to any retroactive allocation of losses, income or expense deductions incurred by the Company. In accordance with the provisions of Section 706(d) of the Code and the Regulations promulgated thereunder, the Managers may, at their option, at the time a Member is admitted, close the Company books (as though the Company's Fiscal Year had ended) or make pro rata allocations of loss, income and expense deductions to a new Equity Owner for that portion of the Company's Fiscal Year in which an Equity Owner became an Equity Owner.

## **ARTICLE 12. DISSOLUTION AND TERMINATION**

### **12.1 Dissolution.**

(a) The Company shall be dissolved only upon the occurrence of any of the following events:

(1) the written agreement of Members holding One Hundred Percent Interest;

(2) by an order of a court of competent jurisdiction in an action commenced by any Member in which such Member can show by a preponderance of the evidence that:

(i) The Members are unreasonably deadlocked in the management of the Company's affairs after a good faith attempt by such Members to resolve their differences, and irreparable injury to the Company is threatened, or the business and affairs of the corporation can no longer be conducted, because of such deadlock;

(ii) The Managers or other Members in control of the Company have acted, are acting, or will act in a manner that is illegal, oppressive, or fraudulent;

(iii) There have been repeated, material breaches of the Agreement by the Company or by other Members or Managers; or

(iv) The Company's assets are being misapplied or wasted.

Notwithstanding anything to the contrary in the Act, the Company shall not be dissolved upon the death, retirement, resignation, expulsion, bankruptcy or dissolution of an Equity Owner.

(b) As soon as possible following the issuance of an order effecting the dissolution of the Company, the appropriate representative of the Company shall execute all documents required by the Act at the time of dissolution and file or record such statements with the appropriate officials.

**12.2 Effect of Dissolution.** Upon dissolution, the Company shall cease to carry on its business, except insofar as may be necessary for the winding up of its business, but its separate existence shall continue until the winding up and Distribution is completed.

### **12.3 Winding Up, Liquidation and Distribution of Assets.**

(a) Upon dissolution, an accounting shall be made by the Company's Managers of the accounts of the Company and of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution. The Managers shall immediately proceed to wind up the affairs of the Company.

(b) If the Company is dissolved and its affairs are to be wound up, the Managers shall:

(1) Sell or otherwise liquidate all of the Company's assets as promptly as practicable, except to the extent that the Managers may determine to Distribute in kind any assets to the Equity Owners;

(2) Allocate any Profit or Loss resulting from such sales to the Equity Owners' Capital Accounts in accordance with Article 9 hereof;

(3) Discharge all liabilities of the Company, including liabilities to Equity Owners who are also creditors, to the extent otherwise permitted by law, other than liabilities to Equity Owners for Distributions and the return of capital, and establish such Reserves as may be reasonably necessary to provide for contingent liabilities of the Company For purposes of determining the Capital Accounts of the Equity Owners, the amounts of such Reserves shall be deemed to be an expense of the Company;

(4) Distribute the remaining assets to the Equity Owners as follows:

(i) First, to the Equity Owners until they have received aggregate Distributions under this Section 12.3(b) equal to two hundred percent (200%) of their positive Capital Account balances;

(ii) Second, to the Equity Owners in accordance with their Sharing Ratios.

(5) If any assets of the Company are to be distributed in kind, the net fair market value of such assets as of the date of dissolution shall be determined by independent appraisal or by agreement of the Members. Such assets shall be deemed to have been sold as of the date of dissolution for their fair market value, and the Capital Accounts of the Equity Owners shall be adjusted pursuant to the provisions of Article 9 and Section 8.3 of this Agreement to reflect such deemed sale; and

(6) The positive balance, if any, of each Equity Owner's Capital Account, as determined after taking into account all Capital Account adjustments for the Company's Fiscal Year during which the liquidation occurs, shall be Distributed to the Equity Owners, either in cash or in kind, as determined by the Managers, with any assets Distributed in kind being valued for this purpose at their fair market value. Any such Distributions to the Equity Owners in respect of their Capital Accounts shall be made in accordance with the time requirements set forth in Section 1.704-1(b)(2)(ii)(b)(2) of the Regulations.

(c) Notwithstanding anything to the contrary in this Agreement, upon a liquidation within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations, if any Equity Owner has a Deficit Capital Account, after giving effect to all contributions, Distributions, allocations and other Capital Account adjustments for all Fiscal Years, including the year during which such liquidation occurs, such Equity Owner shall have no obligation to make any Capital Contribution, and the negative balance of such Member's Capital Account shall not be considered a debt owed by such Equity Owner to the Company or to any other Person for any purpose whatsoever.

(d) Upon completion of the winding up, liquidation and Distribution of the assets, the Company shall be deemed terminated.

(e) The Managers shall comply with any applicable requirements of applicable law pertaining to the winding up of the affairs of the Company and the final Distribution of its assets.

12.4 **Filing or Recording Statements.** Upon the conclusion of winding up, the appropriate representative of the Company shall execute all documents required by the Act at the time of completion of winding up and file or record such statements with the appropriate officials.

12.5 **Return of Contribution Non-recourse to Other Equity Owners.** Except as provided by law or as expressly provided in this Agreement, upon dissolution, each Equity Owner shall look solely to the assets of the Company for the return of its Capital Contribution. If the Company Property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the cash contribution of one or more Equity Owners, such Equity Owners shall have no recourse against any other Equity Owner.

### **ARTICLE 13. MISCELLANEOUS PROVISIONS**

13.1 **Notices.** Any notice, demand, or communication required or permitted to be given by any provision of this Agreement shall be deemed to have been sufficiently given or served if delivered by messenger or overnight courier, or mailed, certified first class mail, postage prepaid, return receipt requested, and addressed or sent to the Equity Owner's and/or Company's address, as set forth on Exhibit 13.1. Such notice shall be effective, (a) if delivered by messenger or by overnight courier, upon actual receipt, or if the date of actual receipt is not a business day in the State of New York, upon the next business day; or (b) if mailed, upon the earlier of five (5) business days after deposit in the mail and the delivery as shown by return receipt therefor. Any Equity Owner or the Company may change its address by giving notice in writing to the Company and the other Equity Owners of its new address.

13.2 **Books of Account and Records.** Proper and complete records and books of account shall be kept or shall be caused to be kept by the Managers, in which shall be entered fully and accurately all transactions and other matters relating to the Company's business in such detail and completeness as is customary and usual for businesses of the type engaged in by the Company. Such books and records shall be maintained as provided in Section 9.10. The books and records shall at all times be maintained at the principal executive office of the Company, and shall be open to the reasonable inspection and examination of the Equity Owners or their duly authorized representatives during reasonable business hours.

#### **13.3 Application of Law.**

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

(b) **Jurisdiction; Venue.** Any disputes arising out of or related in any way to this Agreement, including a breach of this Agreement, shall be filed in the state or federal courts in New York County, New York. By execution and delivery of this Agreement, each of the signors knowingly, voluntarily and irrevocably consent and agree to the jurisdiction of the New York courts. No signor will argue or contend that it is not subject to the jurisdiction of the New York courts or that venue in New York County, New York, is improper.

(c) **Waiver of Jury Trial.** By execution and delivery of this Agreement, each of the signors knowingly, voluntarily and irrevocably: (i) waives any right to trial by jury; (ii) agrees that any dispute arising out of this Agreement shall be decided by court trial without a

jury; and (iii) agrees that any party to this Agreement may file an original counterpart with any court as written evidence of the consents, waivers and agreements of the parties set forth herein.

13.4 **Waiver of Action for Partition.** Each Equity Owner irrevocably waives during the term of the Company any right that it may have to maintain any action for partition with respect to the Company Property.

13.5 **Amendments.** This Agreement may not be amended except by the unanimous written agreement of all of the parties hereto.

13.6 **Execution of Additional Instruments.** Each Equity Owner hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney and other instruments necessary to comply with any laws, rules or regulations.

13.7 **Construction.** Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

13.8 **Effect of Inconsistencies with the Act.** It is the express intention of the Equity Owners and the Company that this Agreement shall be the sole source of agreement among them, and, except to the extent that a provision of this Agreement expressly incorporates federal income tax rules by reference to sections of the Code or Regulations or is expressly prohibited or ineffective under the Act, this Agreement shall govern, even when inconsistent with, or different than, the provisions of the Act or any other law or rule. In the event that the Act is subsequently amended or interpreted in such a way to make valid any provision of this Agreement that was formerly invalid, such provision shall be considered to be valid from the effective date of such interpretation or amendment. The Members and the Company hereby agree that the duties and obligations imposed on the Members as such shall be those set forth in this Agreement, which is intended to govern the relationship among the Company and the Equity Owners, notwithstanding any provision of the Act or common law to the contrary.

13.9 **Waivers.** The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

13.10 **Rights and Remedies Cumulative.** The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

13.11 **Attorneys' Fees.** Should the Company or any party to this Agreement reasonably retain counsel for the purpose of enforcing or preventing breach of any provision of this Agreement, including but not limited to instituting any action or proceeding to enforce any provision of this Agreement, for damages by reason of any alleged breach of any provision of this Agreement, for a declaration of such party's rights or obligations under this Agreement or for any other judicial remedy, then, if the matter settled by judicial determination or arbitration, the prevailing party, whether at trial, on appeal, or arbitration, shall be entitled, in addition to such other relief as may be granted, to be reimbursed by the losing party for all costs and expenses incurred, including, but not limited to, reasonable attorneys' fees and costs for services rendered to the prevailing party.

13.12 **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. Without limiting the generality of the foregoing sentence, to the extent that any provision of this Agreement is prohibited or ineffective under the Act or common law, this Agreement shall be considered amended to the smallest degree possible in order to make the Agreement effective under the Act or common law.

13.13 **Heirs, Successors and Assigns.** Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Agreement, their respective heirs, legal representatives, successors and assigns.

13.14 **Creditors.** None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company.

13.15 **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

13.16 Intentionally omitted.

13.17 **Power of Attorney.** Each Equity Owner hereby irrevocably makes, constitutes and appoints the Managers, with full power of substitution, so long as such Managers are acting in such a capacity, and any successor Manager thereof so long as such Manager is acting in such capacity, its true and lawful attorney, in such Equity Owner's name, place and stead with the limited powers herein granted. This instrument is not to be construed and interpreted as a general power of attorney. The enumeration of specific items, act, rights, or powers herein does limit and restrict, and is to be construed and interpreted as limiting and restricting the powers herein granted to said attorney in fact. It is expressly understood and intended that the grant of such power of attorney is coupled with an interest to make, execute, sign, acknowledge, swear and file with respect to the Company. This powers granted herein are limited to the following:

(a) the effectuation of all amendments of this Agreement which has been authorized in accordance with the terms of this Agreement;

(b) the execution of all documents that the Managers deem necessary or desirable to effect the dissolution and termination of the Company which has been authorized in accordance with the terms of this Agreement;

(c) all such other instruments, documents and certificates which may from time to time be required by the laws of the State or any other jurisdiction in which the Company shall determine to do business, or any political subdivision or agency thereof, to effectuate, implement, continue and defend the valid existence of the Company; and

(d) all instruments, documents and certificates which the Managers deem necessary or desirable in connection with a Reorganization which has been authorized in accordance with the terms of this Agreement.

This power of attorney shall not be affected by and shall survive the bankruptcy, insolvency, death, incompetency, or dissolution of an Equity Owner and shall survive the delivery of any assignment by the Equity Owner of the whole or any portion of its Ownership Interest. Each Equity Owner hereby releases each Manager from any liability or claim in connection with the exercise of the authority granted pursuant to this power of attorney, and in connection with any other action taken

by such Manager pursuant to which such Manager purports to act as the attorney-in-fact for one or more Equity Owners, if the Manager believed in good faith that such action taken was consistent with the authority granted to it pursuant to this Section. Notwithstanding any language in Section 3.17 to the contrary, the power of attorney described in Section 3.17 shall not permit the Managers to reduce or circumvent any authorization requirement provided in the Agreement.

**13.18 Representations and Warranties.**

(a) In General. As of the date hereof, each of the Equity Owners hereby makes each of the representations and warranties applicable to such Equity Owner as set forth in Section 13.18 hereof, and such warranties and representations shall survive the execution of this Agreement.

(b) No Conflict with Restrictions; No Default. Neither the execution, delivery, and performance of this Agreement nor the consummation by such Equity Owner of the transactions contemplated hereby: (i) will conflict with, violate, or result in a breach of any of the terms, conditions, or provisions of any law, regulation, order, writ, injunction, decree, determination, or award of any court, any governmental department, board, agency, or instrumentality, domestic or foreign, or any arbitrator, applicable to such Equity Owner or any of its Affiliates; (ii) will conflict with, violate, result in a breach of, or constitute a default under any of the terms, conditions, or provisions of the articles of incorporation, bylaws, partnership agreement, limited liability company agreement or operating agreement of such Equity Owner or any of its Affiliates or of any material agreement or instrument to which such Equity Owner or any of its Affiliates is a party or by which such Equity Owner, or any of its Affiliates is or may be bound or to which any of its material properties or assets is subject; (iii) will conflict with, violate, result in a breach of, constitute a default under (whether with notice or lapse of time or both), accelerate or permit the acceleration of the performance required by, give to others any material interests or rights, or require any consent, authorization, or approval under any indenture, mortgage, lease agreement, or instrument to which such Equity Owner or any of its Affiliates is a party or by which such Equity Owner or any of its Affiliates is or may be bound; or (iv) will result in the creation or imposition of any lien upon any of the material properties or assets of such Equity Owner or any of its Affiliates.

(3) Government Authorizations. Any registration, declaration, or filing with, or consent, approval, license, permit, or other authorization or order by, any government or regulatory authority, domestic or foreign, that is required in connection with the valid execution, delivery, acceptance, and performance by such Equity Owner under this Agreement or the consummation by such Equity Owner of any transaction contemplated hereby has been completed, made, or obtained on or before the Effective Date of this Agreement.

(4) Litigation. There are no actions, suits, proceedings, or investigations pending or, to the knowledge of such Equity Owner or any of its Affiliates, threatened against or affecting such Equity Owner or any of its Affiliates or any of their properties, assets, or businesses in any court or before or by any governmental department, board, agency, or instrumentality, domestic or foreign, or any arbitrator which could, if adversely determined (or, in the case of an investigation could lead to any action, suit, or proceeding, which if adversely determined could, reasonably be expected to materially impair such Equity Owner's ability to perform its obligations under this Agreement or to have a material adverse effect on the consolidated financial condition

of such member; and such Equity Owner or any of its Affiliates has not received any currently effective notice of any default, and such Equity Owner or any of its Affiliates is not in default, under any applicable order, writ, injunction, decree, permit, determination, or award of any court, any governmental department, board, agency, or instrumentality, domestic or foreign, or any arbitrator which could reasonably be expected to materially impair such Equity Owner's ability to perform its obligations under this Agreement or to have a material adverse effect on the consolidated financial condition of such Equity Owner.

**13.19 Confidentiality.**

(a) The parties hereto shall hold in confidence and not disclose to any person for any purpose any and all information relevant to: Company; the businesses of the Company, and the Intellectual Property, and any other information reasonably related to the foregoing ("Confidential Information").

(b) The parties hereto shall hold the Confidential Information in complete confidence and not disclose said information to any person for any purpose other than as required by law, except that Equity Owners may disclose the Confidential Information, only to the extent reasonably necessary to the officers, directors, shareholders of Equity Owners, Equity Owner's attorneys and accountants ("Equity Owners' Representatives") if the Equity Owners' Representatives are needed to evaluate the information on the behalf of Equity Owners. Equity Owners shall take all reasonable steps necessary to assure adherence by Equity Owner's Representatives to the provisions of this Section.

(c) The parties hereto also acknowledge that, from time to time, the Company may, at its sole discretion, specify in writing, certain additional information as included in the Confidential Information and subject to the terms of this Agreement.

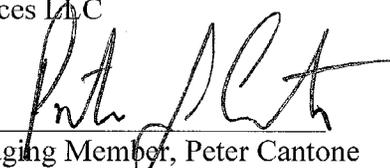
(d) The parties hereto acknowledge and agree that awareness by anyone other than the Company and the Equity Owners of any of the Confidential Information will irreparably harm the businesses of the Company and the interests of the Members. The parties hereto agree that any breach of this Agreement constitutes a substantial and irreparable breach of the Agreement.

(e) The parties hereto may disclose, only to the minimal extent legally necessary, including, without limitation, the filing of judicial or administrative appeals or requests for orders, Confidential Information in response to any immediately legally enforceable summons or subpoena or in order to comply with any order, law, ruling, stock exchange rule or regulation immediately applicable to Equity Owners. In the event that any party hereto becomes aware of any possibility of a legal compulsion to disclose the Confidential Information, such party shall provide the Company with notice of such requirement as quickly as possible to permit the Company to seek a protective order or other appropriate remedy to prevent disclosure of the Confidential Information.

**13.20 Noncompetition Agreement.** The members hereby affirm their obligations under the Noncompetition Agreement of even date hereof annexed hereto as Exhibit 13.20, which document is included herein by reference. It is specifically agreed and understood that a breach of the Noncompetition Agreement: (a) constitutes a material breach of this Operating Agreement; and (b) permits the remaining members to, within one hundred and eighty (180) days of the discovery of said breach, opt to require the breaching member to transfer all of his or her interests in the Company to the Company upon the terms provided in Section 10.2 of this Operating

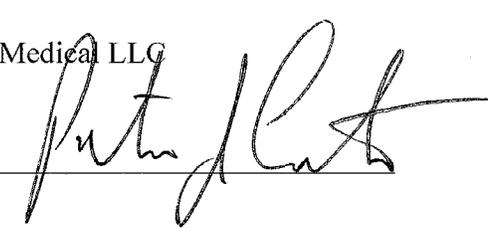
The undersigned hereby agree, acknowledge and certify that the foregoing Agreement, consisting of 32 pages, excluding the Table of Contents and attached Exhibits, constitutes the Agreement of Empire Green Labs Management Services' LLC adopted by the Equity Owners as of Empire Green Labs Management Services' LLC.

Empire Green Labs Management  
Services LLC

By:   
Managing Member, Peter Cantone

Its MEMBERS:

JJSL Medical LLC

By: 

Thomas Macre, Sr.



Thomas Macre, Jr.



Jonathan E. Kaelin

\_\_\_\_\_

Its MEMBERS:

JJSL Medical LLC

By: \_\_\_\_\_

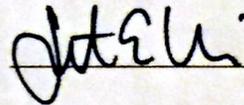
Thomas Macre, Sr.

\_\_\_\_\_

Thomas Macre, Jr.

\_\_\_\_\_

Jonathan E. Kaelin

 \_\_\_\_\_

**EXHIBIT 8.1**

**INITIAL CAPITAL CONTRIBUTIONS**

<b>Name and Address of Initial Member</b>	<b>Initial Capital Contribution</b>
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**EXHIBIT 8.2**

**ADDITIONAL CAPITAL CONTRIBUTIONS**

<b>Member</b>	<b>Maximum Capital Contribution</b>	<b>Additional</b>
---------------	-------------------------------------	-------------------

**EXHIBIT 13.1**

**NAME, ADDRESS AND FACSIMILE NUMBER OF EQUITY OWNER**

<b>Name/Address</b>	<b>Facsimile Number</b>
---------------------	-------------------------

## EXHIBIT 13.20

### NONCOMPETITION AGREEMENT

#### Noncompetition Agreement

Pursuant to this Noncompetition Agreement, executed this \_\_ day of April, 2015 (“Execution Date”), the undersigned, herein referred to as the Receiving Party, in consideration of ten dollars and other valuable consideration, including without limitation being able to continue its business relationship with Empire Green Labs Management Services LLC, a limited liability company with offices located in New York City, or its affiliates (Empire Green Labs Management Services LLC and its affiliates referred to as “Company”), the receipt and sufficiency of which are hereby acknowledged, the Receiving Party hereby covenants, warrants and agrees as follows:

1. **Competition.**

(a) During the period of time beginning with the Execution Date and ending two (2) years after the end of a business, including without limitation, that of independent contractor and consultant, or employment relationship with Company, the Receiving Party shall not, without the prior written consent of the Company, directly or indirectly, whether as a principal, agent, officer, director, partner, employee, consultant, independent contractor or in any other capacity whatsoever, alone or in association with any other person, carry on, or be engaged, concerned or take part in, or render services or assistance to, or own, share in the earnings of, or invest in the stocks, bonds or other securities of any business, firm, corporation or institution that is directly or indirectly in competition with the Company within the State of New York. An individual or entity will be presumed to be in competition with the Company if the individual or entity markets, sells, produces, renders or distributes the same or similar types or kinds of products and/or services as those marketed, sold, produced, rendered or distributed or which were in research and development by the Company at any point during the term of this Agreement. The foregoing restriction will not preclude the Receiving Party from owning up to 1% of the stock of a publicly traded company.

(b) During the period of time beginning with the Execution Date and ending two (2) years after the end of a business, including without limitation, that of independent contractor and consultant, or employment relationship with Company, the Receiving Party shall not, without the prior written consent of the Company, directly or indirectly, whether as a principal, agent, officer,

director, partner, employee, consultant, independent contractor or in any other capacity whatsoever, alone or in association with any other person, the Receiving Party shall not, directly or indirectly:

(i) Solicit or attempt to solicit any competitive business as described above from any customer or prospective customer of the Company whom the Receiving Party came to know, came to service, or came to learn the identity of during course of the Receiving Party's relationship with the Company;

(ii) Counsel, solicit, assist anyone else in soliciting, or attempt to induce any person employed by the Company or any person engaged in an independent contractor relationship with the Company to terminate his/her employment or business relationship with the Company;

(iii) Solicit, attempt to solicit, or assist anyone else in soliciting, on behalf of himself/herself or any other person, company or enterprise, any of the Company's customers, or any prospective customers, to do business with or purchase services from any business or individual who competes with the Company;

(iv) Advise or suggest to any of the Company's actual or prospective customers that they not engage in business with the Company or that they withdraw or cancel any of their business with the Company; or

(iii) Aid, assist or counsel any other person, firm, corporation, entity or the like to do any of the above.

(c) The Receiving Party expressly acknowledges the validity and legitimacy of the Company's stated business interests and agrees that the periods of restriction herein as essential to the full protection of these interests. The Receiving Party expressly acknowledges the validity and legitimacy of the Company's stated business interests and agrees that the geographic scope of the United States is essential to the full protection of these interests.

2. **Affiliates.** For the purposes of this agreement, all references to "Company" shall be deemed to include all business organizations affiliated with Company and business organizations having any officers, shareholders, directors, partners or members who are also officers, directors or shareholders of Company. For the purposes of this agreement, all references to "Receiving Party" shall be deemed to include all business organizations affiliated with Receiving Party and business organizations having any officers, shareholders, directors, partners or members who are also officers, directors or shareholders of Receiving Party. If Receiving Party is a natural person,

all references to "Receiving Party" shall also include members of the Receiving Party's immediate family, parents and siblings.

### 3. **Miscellaneous**

(a) **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. Without limiting the generality of the foregoing sentence, to the extent that any provision of this Agreement is prohibited or ineffective under statute or common law, this agreement shall be considered amended to the smallest degree possible in order to make the agreement effective under statute or common law.

(b) **Waiver.** The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by any party in exercising any right, power, or privilege under this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (i) no claim or right arising out of this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (ii) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (iii) no notice to or demand on one party will be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement.

(c) **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

(d) **Jurisdiction; Venue.** The parties agree that any disputes arising out of or related in any way to this Agreement, including a breach of this Agreement, shall be filed in the state or federal courts in New York County, New York. The parties consent and agree to the jurisdiction of the New York courts. Neither party will argue or contend that it is not subject to the jurisdiction of the New York courts or that venue in New York County, New York, is improper.

(e) **Waiver of Jury Trial.** By execution and delivery of this Agreement, each of the parties knowingly, voluntarily and irrevocably: (i) waives any right to trial by jury; (ii) agrees that

any dispute arising out of this Agreement shall be decided by court trial without a jury; and (iii) agrees that any party to this Agreement may file an original counterpart with any court as written evidence of the consents, waivers and agreements of the parties set forth herein.

(f) Attorneys' Fees. If any legal action or any other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party or parties shall be entitled to recover from the opposing party or parties reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

(g) Counterparts and Facsimile. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument. Facsimile transmission of any signed original document and/or retransmission of any signed facsimile transmission will be deemed the same as delivery of an original. At the request of any party, the parties will confirm facsimile transmission by signing a duplicate original document.

(h) Entire Agreement. This Agreement (including the schedules and exhibits hereto), and the documents delivered pursuant hereto, constitute the entire agreement and understanding between the Parties and supersede any prior agreement and understanding relating to the subject matter of this Agreement.

Dated: April \_\_, 2015

Receiving Party

---

Empire Green Labs Management  
Services LLC

By: Thomas Mace  
Managing Member

that any dispute arising out of this Agreement shall be decided by court trial without a jury; and (iii) agrees that any party to this Agreement may file an original counterpart with any court as written evidence of the consents, waivers and agreements of the parties set forth herein.

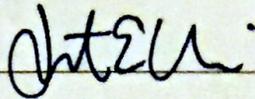
(f) Attorneys' Fees. If any legal action or any other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party or parties shall be entitled to recover from the opposing party or parties reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

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(h) Entire Agreement. This Agreement (including the schedules and exhibits hereto), and the documents delivered pursuant hereto, constitute the entire agreement and understanding between the Parties and supersede any prior agreement and understanding relating to the subject matter of this Agreement.

JK  
Dated: ~~April~~ 31, 2015  
MAY

Receiving Party

 \_\_\_\_\_

Empire Green Labs Management  
Services LLC

By: \_\_\_\_\_  
Managing Member

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**STATE OF NEW YORK**

**DEPARTMENT OF STATE**

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is true copy of said original.



WITNESS my hand and official seal of the Department of State, at the City of Albany, on January 06, 2015.

A handwritten signature in cursive script that reads "Anthony Giardina".

Anthony Giardina  
Executive Deputy Secretary of State

**ARTICLES OF ORGANIZATION  
OF  
CANNABIS OF AMERICA LLC**

Under Section 203 of the Limited Liability Company Law

**FIRST:** The name of the limited liability company is:

**CANNABIS OF AMERICA LLC**

**SECOND:** The county, within this state, in which the office of the limited liability company is to be located is WESTCHESTER.

**THIRD:** The Secretary of State is designated as agent of the limited liability company upon whom process against it may be served. The address within or without this state to which the Secretary of State shall mail a copy of any process against the limited liability company served upon him or her is:

THE LIMITED LIABILITY COMPANY  
427 MANVILLE ROAD  
PLEASANTVILLE, NY 10570

**FOURTH:** The limited liability company is to be managed by: ONE OR MORE MEMBERS.

**FIFTH:** The existence of the limited liability company shall begin upon filing of these Articles of Organization with the Department of State.

**SIXTH:** The limited liability company shall have a perpetual existence.

I certify that I have read the above statements, I am authorized to sign these Articles of Organization, that the above statements are true and correct to the best of my knowledge and belief and that my signature typed below constitutes my signature.

PETER J. CANTONE, ORGANIZER (signature)

\_\_\_\_\_  
PETER J. CANTONE , ORGANIZER  
427 MANVILLE ROAD  
PLEASANTVILLE, NY 10570

**Filed by:**  
HUBCO INCORPORATION SERVICES  
77 EAST JOHN STREET  
HICKSVILLE, NY 11801

**HUBCO (29)  
DRAWDOWN  
CUSTOMER REF# ONLINE1**

**FILED WITH THE NYS DEPARTMENT OF STATE ON: 01/06/2015  
FILE NUMBER: 150106010142; DOS ID: 4689036**

FILING RECEIPT

=====

ENTITY NAME : CANNABIS OF AMERICA LLC

DOCUMENT TYPE : ASSUMED NAME LTD LIABILITY CO

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FILER:  
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FILED: 01/06/2015  
CASH#: 340779  
FILM#: 20150106063

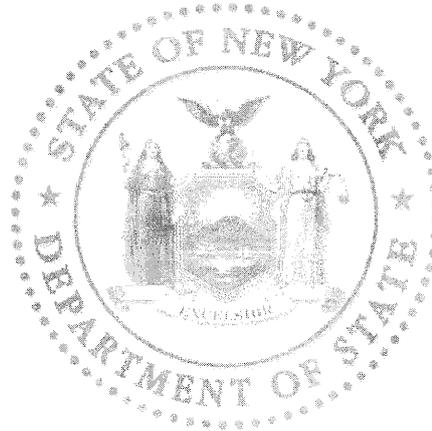
HUBCO INCORPORATION SERVICES  
77 EAST JOHN STREET

HICKSVILLE NY 11801

PRINCIPAL LOCATION  
-----

427 MANVILLE ROAD

PLEASANTVILLE  
NY 10570



COMMENT:

ASSUMED NAME  
-----

EMPIRE GREEN LABS

=====

SERVICE COMPANY : HUBCO

CODE: 29  
BOX : 74

FEES 50.00  
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FILING : 25.00  
COUNTY : .00  
COPIES : .00  
MISC : .00  
HANDLE : 25.00

PAYMENTS: 50.00  
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CASH :  
CHECK :  
C CARD : 50.00

REFUND :  
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**CERTIFICATE OF DOING BUSINESS  
AS A LIMITED LIABILITY COMPANY UNDER  
AN ASSUMED NAME**

**Cannabis of America LLC**

Under Section 130 of the General Business Law of the State of New York

Hubco-29

**FILER:**

Hubco Incorporation Services  
77 East John Street  
Hicksville, NY 11801

CERTIFICATE OF DOING BUSINESS  
AS A LIMITED LIABILITY COMPANY UNDER  
AN ASSUMED NAME

Pursuant to Section 130 of the General Business Law of the State of New York,  
does hereby certify the following:

- 1) The name of the limited liability company is:

**Cannabis of America LLC**

- 2) Formed under the Limited Liability Company law.

- 3) The principle place of business of the Limited Liability Company is:

427 Manville Road  
Pleasantville, NY 10570

- 4) The assumed name of the Limited Liability Company is:

**Empire Green Labs**

- 5) The county or counties in which the Limited Liability Company  
will conduct business under the assumed name is/are:

Westchester

- 6) The address(es) of each location, including number and street, if any,  
of each place where the entity carries on, conducts or transacts  
business in New York State is/are:

427 Manville Road  
Pleasantville, NY 10570

IN WITNESS WHEREOF, this Certificate is duly executed and  
acknowledged on **January 6, 2015**

/s/ Peter J. Cantone  
Peter J. Cantone - Member

OPERATING AGREEMENT  
OF  
Cannabis of America LLC  
A New York Limited Liability Company

---

This Operating Agreement (this "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ ("Effective Date") by and among Cannabis America LLC ("Company") and each of the Members whose signatures appear on the signature page hereof (each a "Member"). In consideration of the mutual covenants herein contained and for other good and valuable consideration, the Members and the Company (and each person who subsequently becomes an Equity Owner) hereby agree as follows:

## ARTICLE 1. DEFINITIONS

The following terms used in this Agreement shall have the following meanings (unless otherwise expressly provided herein):

1.1 **Act.** Act shall mean the New York Limited Liability Company Act, as amended.

1.2 **Adjusted Capital Contributions.** Adjusted Capital Contributions shall mean an amount equal to such Equity Owner's Capital Contributions, if any, pursuant to Sections 8.1 and 8.2, less any Distributions made to such Equity Owner pursuant to Section 9.4(c).

1.3 **Affiliate.** Affiliate shall mean, with respect to any Person: (i) any Person directly or indirectly controlling, controlled by, or under common control with such Person, or (ii) any officer, director, or general partner of such Person. For purposes of this definition, the term "controls," "is controlled by," or "is under common control with" shall mean the possession, direct or indirect, 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.

1.4 **Agreement.** Agreement shall mean this Operating Agreement of Cannabis of America LLC as originally executed and as the same may be amended from time to time.

1.5 **Articles of Organization.** The Articles of Organization of the Company as filed with the Secretary of State as the same may be amended from time to time.

1.6 **Capital Account.** Capital Account as of any given date shall mean the Capital Account of each Equity Owner as described in Article 8 and maintained to such date in accordance with this Agreement.

1.7 **Capital Contribution.** Capital Contribution shall mean any contribution to the capital of the Company in cash or property by an Equity Owner whenever made. "Initial Capital Contribution" shall mean the initial contribution to the capital of the Company pursuant to this Agreement.

1.8 **Code.** Code shall mean the Internal Revenue Code of 1986, as amended from time to time, or corresponding provisions of subsequent revenue laws.

1.9 **Company.** Company shall mean Cannabis of America LLC.

1.10 **Company Property.** All assets (real or personal, tangible or intangible, including cash and including, without limitation, the Intellectual Property) of the Company.

1.11 **Deficit Capital Account.** Deficit Capital Account shall mean with respect to any Equity Owner, the deficit balance, if any, in such Equity Owner's Capital Account as of the end of the Fiscal Year, after giving effect to the following adjustments:

(a) credit to such Capital Account the amount, if any, which such Equity Owner is obligated to restore under Section 1.704-1(b)(2)(ii)(c) of the Regulations, as well as any addition thereto pursuant to the next to last sentence of Sections 1.704-2(g)(1) and (i)(5) of the

Regulations, after taking into account thereunder any changes during such year in partnership minimum gain as determined in accordance with Section 1.704-2(d) of the Regulations ("Company Minimum Gain") and in any partner nonrecourse debt minimum as determined under Section 1.704-2(i)(3) of the Regulations ("Member Minimum Gain"); and

(b) debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Regulations. This definition of Deficit Capital Account is intended to comply with the provisions of Regulation §§1.704-1(b)(2)(ii)(d) and 1.704-2, and shall be interpreted consistently with those provisions.

**1.12 Depreciation.** For each Fiscal Year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such Fiscal Year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Managers.

**1.13 Distributable Cash.** All cash, whether revenues or other funds received by the Company, less the sum of the following to the extent paid or set aside by the Company: (i) all principal and interest payments on indebtedness of the Company and all other sums paid to lenders; (ii) all cash expenditures incurred incident to the normal operation of the Company's business; and (iii) Reserves.

**1.14 Distribution.** Any Transfer of Company Property from the Company to or for the benefit of an Equity Owner by reason of such Equity Owner's ownership of an Economic Interest.

**1.15 Economic Interest.** An Equity Owner's share of one or more of the Profits, Losses and Distributions pursuant to this Agreement and the Act, but shall not include any right to participate in the management or affairs of the Company, including, the right to vote on, consent to or otherwise participate in any decision of the Members or Managers.

**1.16 Economic Interest Owner.** The owner of an Economic Interest who is not a Member.

**1.17 Entity.** Any general partnership (including a limited liability partnership), limited partnership (including a limited liability limited partnership), limited liability company, corporation, joint venture, trust, business trust, cooperative or association or any foreign trust or foreign business organization.

**1.18 Equity Owner.** An Economic Interest Owner or a Member.

**1.19 Fiscal Year.** The taxable year of the Company as determined under the Code.

**1.20 Gift.** A gift, bequest, or other transfer for no consideration, whether or not by operation of law, except in the case of bankruptcy.

**1.21 Gifting Equity Owner.** Any Equity Owner who gifts, bequeaths or otherwise transfers for no consideration (by operation of law or otherwise, except with respect to bankruptcy) all or any part of its Ownership Interest.

**1.22 Gross Asset Value.** Gross Asset Value means, with respect to any asset, the asset's

adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by an Equity Owner to the Company shall be the gross fair market value of such asset, as determined by the contributing Member and the Managers, provided that the initial Gross Asset Values of the assets contributed to the Company pursuant to Section 8.1 hereof shall be as set forth in Exhibit 8.1, and provided further that, if the contributing Member is a Manager, the determination of the fair market value of any other contributed asset shall require the consent of the other Members owning a Majority Interest (determined without regard to the Voting Interest of such contributing Member), provided that the initial Gross Asset Values of the assets contributed to the Company by an Economic Interest Owner shall be determined by the Managers;

(b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as reasonably determined by the Managers as of the following times: (i) the acquisition of an additional interest by any new or then existing Equity Owner in exchange for more than a *de minimis* contribution of property (including money); (ii) the Distribution by the Company to an Equity Owner of more than a *de minimis* amount of property as consideration for an Ownership Interest; and (iii) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that adjustments pursuant to clauses (i) and (ii) above shall be made only if the Managers reasonably determine that such adjustments are necessary or appropriate to reflect the relative economic interests of the Equity Owners in the Company;

(c) The Gross Asset Value of any Company asset Distributed to any Equity Owner shall be adjusted to equal the gross fair market value of such asset on the date of Distribution as determined by the distributee and the Managers, provided that, if the distributee is a Manager, the determination of the fair market value of the Distributed asset shall require the consent of the other Members owning a Majority Interest (determined without regard to the Voting Interest of the distributee Member); and

(d) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Section 734(b) or Section 743(b) of the Code, but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulation §1.704-1(b)(2)(iv)(m) and Section 8.3 and subparagraph (e) under the definition of Profits and Losses; provided, however, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (d) of this definition to the extent that the Managers determine that an adjustment pursuant to subparagraph (b) of this definition is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (d).

(e) If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraph (a), (b) or (d) of this definition, then such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

**1.23 Intellectual Property.** The intellectual property of the Company, including, without limitation, and any continuation, extension, renewal, divisional and foreign rights arising therefrom.

**1.24 Majority Interest.** One or more Voting Interests of Members which taken together

equal or exceed ninety two point five percent (92.5%) of the aggregate of all Voting Interests.

1.25 **Managers.** Managers shall mean one or more managers designated as provided in Section 5.2.

1.26 **Member.** The Persons defined as Members in the pre-amble of this Agreement and each of the parties who may hereafter become a Member in accordance with the terms of the Agreement.

1.27 **Membership Interest.** A Member's entire interest in the Company, including such Member's Economic Interest and such other rights and privileges that the Member may enjoy by being a Member.

1.28 **One Hundred Percent Interest.** One Hundred Percent Interest shall mean one or more Voting Interests of Members which taken together equal one hundred percent (100%) of the aggregate of all Voting Interests.

1.29 **Ownership Interest.** Ownership interest shall mean:

- (a) in the case of a Member, the Member's Membership Interest; and
- (b) in the case of an Economic Interest Owner, the Economic Interest Owner's

Economic Interest.

1.30 **Person.** Any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such "Person" where the context so permits.

1.31 **Profits and Losses.** Profits and Losses shall mean for each Fiscal Year of the Company an amount equal to the Company's net taxable income or loss for such year as determined for federal income tax purposes (including separately stated items) in accordance with the accounting method and rules used by the Company and in accordance with Section 703 of the Code with the following adjustments:

(a) Any items of income, gain, loss and deduction allocated to Equity Owners pursuant to Sections 9.2, 9.3 or 9.13 shall not be taken into account in computing Profits or Losses;

(b) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits and Losses (pursuant to this definition) shall be added to such taxable income or loss;

(c) Any expenditure of the Company described in Section 705(a)(2)(B) of the Code and not otherwise taken into account in computing Profits and Losses (pursuant to this definition) shall be subtracted from such taxable income or loss;

(d) In the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraphs (b) or (c) of the definition of Gross Asset Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits and Losses;

(e) Gain or loss resulting from any disposition of any Company asset with respect to which gain or loss is recognized for federal income tax purposes shall be computed with reference to the Gross Asset Value of the asset disposed of, notwithstanding that the adjusted tax basis of such asset differs from its Gross Asset Value;

(f) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year; and

(g) To the extent an adjustment to the adjusted tax basis of any Company asset

pursuant to Section 734(b) or Section 743(b) of the Code is required pursuant to Section 1.704-1(b)(2)(iv)(m)(4) of the Regulations to be taken into account in determining Capital Accounts as a result of a Distribution other than in liquidation of an Ownership Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses.

1.32 **Regulations.** Regulations shall include proposed, temporary and final regulations promulgated under the Code in effect as of the date of filing the Articles of Organization and the corresponding sections of any regulations subsequently issued that amend or supersede such regulations.

1.33 **Reorganization.** Reorganization shall mean the merger or conversion of the Company, or a sale or other disposition of assets of the Company, or sale or other disposition of Ownership Interests, or other transaction pursuant to which a Person or Persons, other than the then current Members, acquire all or substantially all of the assets of, or Ownership Interests in, the Company in a single or series of related transactions, including without limitation, a merger or conversion of the Company into a corporation or other entity, whether or not such corporation or other entity has the same owners as the Company and whether or not additional capital is contributed to such corporation or other entity; and any act which would make it impossible for the Company to exploit, develop, use or Sell all or any material portion of the Intellectual Property.

1.34 **Reserves.** Reserves shall mean, with respect to any fiscal period, funds set aside or amounts allocated during such period to reserves which shall be maintained in amounts deemed sufficient by the Managers for working capital and for payment of taxes, insurance, debt service or other costs or expenses incident to the ownership or operation of the Company's business.

1.35 **Sale or Sell.** A sale, assignment, exchange, or other transfer for consideration, pledge, hypothecation, or grant of a mortgage or security interest or any encumbrance, or change in ownership by reason of the merger, conversion or other transformation in the identity or form of business organization of the owner, regardless of whether such change or transformation is characterized by state law as not changing the identity of the owner.

1.36 **Secretary of State.** The secretary of state of the State of New York.

1.37 **Selling Equity Owner.** Any Equity Owner that Sells, assigns, or otherwise transfers for consideration all or any portion of its Membership Interest or Economic Interest.

1.38 **Sharing Ratio.** The ratio used throughout this Agreement to determine the sharing of certain items. The Initial Sharing Ratio shall be:

<u>Member</u>	<u>Sharing Ratio</u>
Empire Green Labs Management Services LLC	100%

The sharing ratio shall be adjusted from time to time as provided in this Agreement.

1.39 **State.** State shall mean the State of New York.

1.40 **Transfer.** Transfer shall mean any Sale, Gift, encumbrance, pledge or hypothecation.

1.41 **Transferring Equity Owner.** Transferring Equity Owner shall mean a Selling

Equity Owner and a Gifting Equity Owner.

1.42 **Unrecovered Losses.** Unrecovered Losses shall have the meaning set forth in **Section 9.1.**

1.43 **Voting Interest.** The Interests used to determine the Members' respective voting rights on certain matters as provided in this Agreement. The Initial Voting Interest is:

<u>Member</u>	<u>Voting Interest</u>
Empire Green Labs Management Services LLC	100%

## **ARTICLE 2. FORMATION OF COMPANY**

2.1 **Formation.** On October 2, 2014, the Company was organized as a limited liability corporation pursuant to the Act by the execution and delivery of articles of organization to the Secretary of State in accordance with and pursuant to the Act. The Company and the Members hereby forever discharge the Organizer of the Company, and the Organizer shall be indemnified by the Company and the Member from and against, any expense or liability actually incurred by the Organizer by reason of having been the organizer of the Company.

2.2 **Name.** The name of the Company is Cannabis America LLC.

2.3 **Principal Place of Business.** The principal place of business of the Company shall be 427 Manville Rd., Pleasantville, NY 10570. The Company may locate its places of business and registered office at any other place or places as the Managers may from time to time deem advisable.

2.4 **Registered Office and Registered Agent.** The Company's initial registered office and the name of the registered agent at such address shall be as set forth in the Articles. The registered office and registered agent may be changed from time to time by filing the address of the new registered office and/or the name of the new registered agent with the Secretary of State pursuant to the Act.

2.5 **Term.** The Company shall continue in existence until it terminates in accordance with the provisions of this Agreement or the Act.

## **ARTICLE 3. BUSINESS OF COMPANY**

3.1 **Permitted Business.** The business of the Company shall be:

(a) To accomplish any lawful business whatsoever, or which shall at any time appear conducive to or expedient for the protection or benefit of the Company and its assets, including without limitation to develop and exploit the Intellectual Property;

(b) To exercise all other powers necessary to or reasonably connected with the Company's business which may be legally exercised by limited liability companies under the Act; and

(c) To engage in all activities necessary, customary, convenient, or incident to any of the foregoing.

## **ARTICLE 4. NAMES AND ADDRESSES OF EQUITY OWNERS**

4.1 **Members.** The names and addresses of the Initial Members are as follows:

NAME	ADDRESS
Empire Green Labs Management Services LLC	427 Manville Rd. Pleasantville, New York 10570

4.2 **Equity Owners.** The names and addresses of other Equity Owners shall be maintained as provided under Section 13.1.

## **ARTICLE 5. RIGHTS AND DUTIES OF MANAGERS**

5.1 **Management.** The business and affairs of the Company shall be managed by its Managers. Except for situations in which the approval of the Members is expressly required by this Agreement or by nonwaivable provisions of applicable law, the Managers shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts and activities customary or incident to the management of the Company's business. At any time when there is more than one Manager, any one Manager may take any action permitted to be taken by the Managers, unless the approval of more than one of the Managers is expressly required pursuant to this Agreement or the Act or unless a majority of the Managers determine in a writing provided to the remaining Manager(s) prior to such Manager(s) taking a specified action that the approval of more than one of the Managers is required in order to take such action. Unless authorized to do so by this Agreement or by the Managers, no attorney-in-fact, employee or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable pecuniarily for any purpose.

5.2 **Number, Tenure and Qualifications.** The Company shall initially have three Manager who shall be Peter Cantone, Thomas Macre, Sr., Thomas Macre, Jr. The number of Managers shall be fixed from time to time by the affirmative vote of at least seventy six percent (76%) of the Economic Interest Owners of the Company, but in no instance shall there be less than one Manager. Each Manager shall hold office until such Manager resigns pursuant to Section 5.9 or is removed pursuant to Section 5.10. Managers shall be appointed by the affirmative vote of at least seventy six percent (76%) of the Economic Interest Owners of the Company.

5.3 **Certain Powers of Managers.** Without limiting the generality of Section 5.1 but subject to the limitations of Section 5.4, the Managers shall have power and authority, on behalf of the Company:

- (a) To acquire property from any Person as the Managers may determine. The fact that such Person is a Manager, Equity Owner, or Affiliate shall not prohibit the Managers from dealing with that Person;
- (b) To borrow money for the Company from banks, other lending institutions, the Managers, Equity Owners, or Affiliates of the Managers or Equity Owners on such terms as the Managers deem appropriate, and in connection therewith, to hypothecate, encumber and grant security interests in Company Property to secure repayment of the borrowed sums;
- (c) To purchase liability and other insurance to protect the Company's property and business;
- (d) To hold and own any Company real and/or personal properties in the name

of the Company;

(e) To invest any Company funds, including without limitation, in time deposits, short-term governmental obligations, commercial paper or other investments;

(f) To execute on behalf of the Company all instruments and documents, including, without limitation, checks, drafts, notes and other negotiable instruments; mortgages or deeds of trust; security agreements; financing statements; documents providing for the acquisition, mortgage or disposition of Company Property; assignments; bills of sale; leases; partnership agreements; operating or operating agreements of other limited liability companies; and any other instruments or documents necessary, in the opinion of the Managers, to the conduct of the business of the Company;

(g) To employ accountants, legal counsel, managing agents or other experts to perform services for the Company and to compensate them from Company funds;

(h) To enter into any and all other agreements on behalf of the Company, with any other Person for any purpose, in such forms as the Managers may approve;

(i) To execute and file such other instruments, documents and certificates which may from time to time be required by the laws of the State or any other jurisdiction in which the Company shall determine to do business, or any political subdivision or agency thereof, to effectuate, implement, continue and defend the valid existence of the Company; and

(j) To do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business.

**5.4 Limitations on Authority.** Notwithstanding any other provision of this Agreement, the Managers shall not cause or commit the Company to do any of the following without the express written consent of Members holding One Hundred Percent Interest:

(a) To cause the Company to be a party to a Reorganization, Sell or otherwise dispose all or substantially all of the Company Property or any Company Property other than in the ordinary course of business, or Sell all or any material portion of the Intellectual Property; or

(b) Cause the Company to commence a voluntary case as debtor under the United States Bankruptcy Code, as amended from time to time or any successor bankruptcy code.

**5.5 Liability for Certain Acts.**

(a) The Managers do not, in any way, guarantee the return of the Equity Owners' Capital Contributions or a profit for the Equity Owners from the operations of the Company.

(b) The Managers shall not be liable to the Company or to any Member for any loss or damage sustained by the Company or any Member (or successor thereto), except to the extent, if any, that the loss or damage shall have been the result of gross negligence, fraud, deceit, willful misconduct, or material breach of this Agreement.

**5.6 Managers and Members Have No Exclusive Duty to Company.** The Managers and Members shall have no exclusive duty to act on behalf of the Company. Each Manager and Member may have other business interests and may engage in other activities in addition to those relating to the Company. Neither the Company nor any Manager shall have any right, by virtue of this Agreement, to share or participate in any other investments or activities of any other Manager or Member. Neither any Manager nor any Equity Owner shall incur any liability to the Company or to any of the Equity Owners as a result of engaging in any other business or venture.

5.7 **Bank Accounts.** The Managers may from time to time open bank accounts in the name of the Company, and the Managers shall be the sole signatory thereon, unless the Managers determine otherwise.

5.8 **Indemnity of the Managers, Employees and Other Agents.**

(a) The Company shall indemnify each Manager for his actions as a Manager pursuant to this Agreement, and make may advances for expenses to the maximum extent permitted under the Act, except to the extent the claim for which indemnification is sought results from an act or omission for which the Manager may be held liable to the Company or a Member under Section 5.5(b). The Company may indemnify its employees and other agents who are not Managers to the fullest extent permitted by law, provided that such indemnification in any given situation is approved by Members owning a Majority Interest.

(b) Expenses, including without limitation, legal fees and expenses, incurred by a Manager in defending any claim, demand, action, suit or proceeding subject to subsection (a) above may be paid by the Company in advance of the final disposition of such claim, demand, action, suit or proceeding.

5.9 **Resignation.** Any Manager may resign at any time by giving written notice to the Members. The resignation of any Manager shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The resignation of a Manager who is also an Equity Owner shall not affect the Manager's rights as an Equity Owner.

5.10 **Removal.** A Manager may be removed with or without cause at any time by a vote of at least seventy six percent (76%) of the Economic Interest Owners of the Company. The removal of a Manager who is also a Member shall not affect the Manager's rights as a Member and shall not constitute a withdrawal of a Member.

5.11 **Vacancies.** Any vacancy occurring for any reason in the number of Managers shall be filled by the affirmative vote of at least seventy six percent (76%) of the Economic Interest Owners of the Company. Any Manager's position to be filled by reason of an increase in the number of Managers shall be filled by the affirmative vote at least seventy six percent (76%) of the Economic Interest Owners of the Company.

5.12 **Compensation, Reimbursement, Organization Expenses.**

(a) The compensation of the Managers shall be fixed from time to time by an affirmative vote of Members holding a Majority Interest; provided that no Manager shall defer payment of any part of their compensation without the approval of a Majority Interest, and no Manager shall be prevented from receiving such compensation by reason of the fact that he is also a Member.

(b) The Managers shall cause the Company to make an appropriate election to treat the expenses incurred by the Company in connection with the formation and organization of the Company to be amortized under the 60-month period beginning with the month in which the Company begins business to the extent that such expenses constitute "organizational expenses" of the Company within the meaning of Code Section 709(b)(2).

5.13 **Right To Rely on the Managers.** Any Person dealing with the Company may rely upon a certificate signed by any Manager as to:

(a) The identity of any Manager or Equity Owner;

(b) The existence or nonexistence of any fact or facts which constitute a condition precedent to acts on behalf of the Company by any Manager or which are in any other manner germane to the affairs of the Company; or

(c) The Persons who are authorized to execute and deliver any instrument or document of the Company.

## **ARTICLE 6. RIGHTS AND OBLIGATIONS OF EQUITY OWNERS**

6.1 **Limitation of Liability.** Except as otherwise provided by the nonwaivable provisions of the Act and by this Agreement, no Equity Owner shall be liable for an obligation of the Company solely by reason of being or acting as an Equity Owner.

6.2 **List of Equity Owners.** Upon written request of any Member made in good faith and for a purpose reasonably related to the Member's rights as Member under this Agreement which reason shall be set forth in the written request, the Manager shall provide a list showing the names, addresses and Ownership Interests of all Equity Owners. Economic Interest Owners shall have no rights to information under this Section 6.2.

6.3 **Equity Owners Have No Agency Authority.** Except as expressly provided in this Agreement, the Equity Owners, in their capacity as Equity Owners, shall have no agency authority on behalf of the Company.

6.4 **Company Books.** In accordance with Section 9.10 herein, the Managers shall maintain and preserve, during the term of the Company, and for five years after dissolution, all accounts, books, and other relevant Company documents. Upon reasonable request, each Member shall have the right, during ordinary business hours, to inspect and copy such Company documents at the requesting Member's expense.

6.5 **Priority and Return of Capital.** Except as may be expressly provided in Article 9, no Equity Owner shall have priority over any other Equity Owner, either as to the return of Capital Contributions or as to Profits, Losses or Distributions; provided, however, that this Section 6.5 shall not apply to loans, as distinguished from Capital Contributions, which an Equity Owner has made to the Company.

6.6 **Equity Owner Voting.** Equity Owners who are not Members shall have no right to vote or to participate in any manner in the management of the Company, provided however that regardless of their status as a Member, Equity Owners shall have the right to vote for the removal or installation of Members as provided in Article 5 herein. The method of notice, meeting and voting shall be as provided in Article 7 substituting Equity Owners for Members.

## **ARTICLE 7. ACTIONS OF MEMBERS**

7.1 **Actions of Members.** Unless otherwise required in this Agreement, actions and consents of the Members may be communicated or reflected orally, electronically or in writing, and no action need be taken at a formal meeting. Members may, but are not required to, meet from time to time on such notice, if any, as the Member convening the meeting chooses to give. Any consent required to be in writing may be evidenced by separate written counterparts. Any action of the Members shall be effective when a sufficient number of Members to take such action communicate their consent to the action to the Managers.

7.2 **No Required Meetings.** The Members may, but shall not be required to hold any

annual, periodic or other formal meetings. However, meetings of the Members may be called by any Manager, who is also a Member, or by any Member or Members holding at least a Majority Interest of the Voting Interests.

**7.3 Place of Meetings.** The place of meeting for any meeting of the Members shall be at the offices of Sullivan PC, 7 East 20<sup>th</sup> Street, 4R, New York, NY 10003; and Members holding a Majority Interest may designate any other location as the place of meeting for any meeting of the Members.

**7.4 Notice of Meetings.** Except as provided in Section 7.5, written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than 10 nor more than 50 days before the date of the meeting, either personally or by certified mail, return receipt requested.

**7.5 Meeting of all Members.** If all of the Members shall meet at any time and place, either within or outside of the State, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting lawful action may be taken.

**7.6 Record Date.** For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any Distribution, or in order to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed or the date on which the resolution declaring such Distribution is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section 7.6, such determination shall apply to any adjournment thereof.

**7.7 Quorum.** Members holding at least a Majority Interest, represented in person or by proxy, shall constitute a quorum at any meeting of Members. In the absence of a quorum at any such meeting, a majority of the Voting Interests so represented may adjourn the meeting from time to time for a period not to exceed 60 days without further notice. However, if the adjournment is for more than 60 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The Members present at a duly organized meeting may not continue to transact business upon the withdrawal during such meeting of that number of Voting Interests whose absence would cause less than a quorum. The Company shall provide a written notice within ten (10) days after any meeting to any Member not present at said meeting of the actions taken at said meeting.

**7.8 Manner of Acting.** If a quorum is present, the affirmative vote of Members holding a Majority Interest shall be the act of the Members, unless the vote of a greater or lesser proportion or number is otherwise required by the Act, by the Articles of Organization, or by this Agreement. Unless otherwise expressly provided herein, Members who have an interest, economic or otherwise, in the outcome of any particular matter upon which the Members vote or consent may vote or consent upon any such matter and their Voting Interest, vote or consent, as the case may be, shall be counted in the determination of whether the requisite matter is approved by the Members.

**7.9 Proxies.** At all meetings of Members, a Member who is qualified to vote may vote

in person or by proxy executed in a notarized writing by the Member or by a duly authorized attorney-in-fact. Such proxy shall be filed with the Managers before or at the time of the meeting. No proxy shall be valid after 30 days from the date of its execution, unless otherwise provided in the proxy.

**7.10 Action by Members Without a Meeting.** Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents or approvals describing the action taken and signed by Members holding sufficient Voting Interests, as the case may be, to approve such action had such action been properly voted on at a duly called meeting of the Members. Action taken under this Section 7.10 is effective when Members with the requisite Interests or Voting Interests, as the case may be, have signed the consent or approval, unless the consent specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

**7.11 Waiver of Notice.** When any notice is required to be given to any Member, a waiver thereof in a notarized executed writing signed by the person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

## **ARTICLE 8. CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS**

**8.1 Intentionally omitted.**

**8.2 Additional Contributions.** No Equity Owner shall be required to make any Capital Contributions. To the extent approved by Members holding One Hundred Percent Interest, from time to time, the Equity Owners may be permitted to make additional Capital Contributions if and to the extent they so desire, and if the Managers determine that such additional Capital Contributions are necessary or appropriate in connection with the conduct of the Company's business, including without limitation, expansion or diversification. In such event, the Equity Owners shall have the opportunity, but not the obligation to participate in such additional Capital Contributions proportionate to their Sharing Ratios.

**8.3 Capital Accounts.**

(a) A separate Capital Account shall be maintained for each Equity Owner.

(i) Each Equity Owner's Capital Account shall be increased by: (1) the amount of money contributed by such Equity Owner to the Company; (2) the fair market value of property contributed by such Equity Owner to the Company, net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under Section 752 of the Code; (3) allocations to such Equity Owner of Profits; and (4) any items in the nature of income and gain which are specially allocated to the Equity Owner pursuant to Sections 9.2 and 9.3.

(ii) Each Equity Owner's Capital Account shall be decreased by: (1) the amount of money Distributed to such Equity Owner by the Company; (2) the fair market value of property Distributed to such Equity Owner by the Company, net of liabilities secured by such Distributed property that such Equity Owner is considered to assume or take subject to under Section 752 of the Code; (3) any items in the nature of deduction and loss that are specially allocated to the Equity Owner pursuant to Sections 9.2 and 9.3; and (4) allocations to such Equity Owner of Losses.

(b) Without limiting the other rights and duties of a transferee of an Ownership Interest pursuant to this Operating Agreement, in the event of a permitted sale or exchange of an Ownership Interest in the Company, (1) the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Ownership Interest in accordance with Section 1.704-1(b)(2)(iv) of the Regulations; and (2) the transferee shall be treated as the transferor for purposes of allocations and distributions pursuant to Article 9 herein to the extent that such allocations and distributions relate to the transferred Ownership Interest.

(c) The manner in which Capital Accounts are to be maintained pursuant to this Section 8.3 is intended to comply with the requirements of Section 704(b) of the Code and the Regulations promulgated thereunder. If in the opinion of the Company's accountants the manner in which Capital Accounts are to be maintained pursuant to the preceding provisions of this Section 8.3 should be modified in order to comply with Section 704(b) of the Code and the Regulations thereunder, then, notwithstanding anything to the contrary contained in the preceding provisions of this Section 8.3, the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the Equity Owners.

(d) Upon liquidation of the Company, liquidating Distributions shall be made in accordance with the positive Capital Account balances of the Equity Owners, as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs. Liquidation proceeds shall be paid in accordance with Section 12.3. The Company may offset damages for breach of this Agreement by any Equity Owner whose interest is liquidated, either upon the withdrawal of the Equity Owner or the liquidation of the Company, against the amount otherwise Distributable to such Equity Owner. No Equity Owner shall have any obligation to restore all or any portion of a deficit balance in such Equity Owner's Capital Account.

#### **8.4 Withdrawal or Reduction of Equity Owners' Contributions to Capital.**

(a) An Equity Owner shall not receive a Distribution of any part of its Capital Contribution to the extent such Distribution would violate Section 9.5.

(b) Intentionally omitted.

**8.5 Remedies for Nonpayment of Additional Capital Contributions.** Failure of any Equity Owner to make full and timely payment to the Company of any additional Capital Contribution properly assessed hereunder shall constitute a breach of this Agreement and any such Equity Owner shall be hereinafter referred to as a "Defaulting Equity Owner". Upon such a breach, the Managers shall promptly give notice ("Default Notice") to all Equity Owners of: (a) the breach; and (b) a Special Meeting to discuss the appropriate course of action. The Equity Owners who timely satisfied their obligation to make the required Additional Capital Contributions ("Non-Defaulting Equity Owners") may, upon the affirmative vote of those Non-Defaulting Equity Owners which must be Members holding a Majority Interest, pursue the following courses of action:

(a) The Non-Defaulting Equity Owners, shall have an option, but no obligation, to loan to the Company within sixty (60) days after the Default Notice is given ("Loan Decision Period") the amount which the Defaulting Equity Owners have failed to contribute to the Company proportionate to the ratio of the interest in Profits held by each respective Equity Owner electing

to loan funds, to the interest in Profits Interests held by all Equity Owners electing to advance funds. The amount that is loaned by any Non-Defaulting Equity Owner shall, at the election of each such Equity Owner exercised by written notice to the Defaulting Equity Owner and the Company at the time the loan is made, be treated in either one of the following manners ((1) or (2)):

(1) The loan may be treated as a loan to the Company, bearing interest at a floating rate equal to the lesser of the highest rate allowed by law or five percentage points higher than the prime commercial lending rate in effect from time to time at the principal bank used by the Company for banking and borrowing purposes ("Default rate"), payable out of any funds paid by, or withheld by the Company from, the Defaulting Equity Owner to cure the breach, or at such other time as the Company and the lending Equity Owners may agree. Payments shall be credited first to accrued interest. The promissory note or other loan documentation shall contain such other terms and conditions as mutually agreed by the Company and the lending Equity Owners.

(2) The loan may be treated as a loan to the Defaulting Equity Owner, followed by a contribution of the borrowed funds to the Company by the Defaulting Equity Owner curing the breach in whole or in part. Such a loan shall be payable on demand and bear interest at the default rate provided in Section 8.5(a)(1) above. Until the Defaulting Equity Owner's debt to any Non-Defaulting Equity Owners, together with interest thereon, is paid in full, any funds or property which would otherwise be Distributed to the Defaulting Equity Owner from time to time hereunder shall be paid to such Non-Defaulting Equity Owners, according to their respective shares of loans which are treated as loans to the Defaulting Equity Owner. Any such payments shall be deemed to be Distributions to the Defaulting Equity Owner by the Company, followed by appropriate payments by the Defaulting Equity Owner to the respective Non-Defaulting Equity Owners. Payments shall be credited first to accrued interest. Payments to Non-Defaulting Equity Owners of loans by them pursuant to either Section 8.5(a)(1) or 8.5(a)(2) shall be made *pari passu*.

(b) If the Non-Defaulting Equity Owners do not make loans pursuant to Section 8.5(a) in an amount at least equal to the amount which the Defaulting Equity Owner failed to contribute and the Defaulting Equity Owner has not cured said breach prior to the expiration of the Loan Decision Period, then promptly upon the expiration of the Loan Decision Period, the Managers shall give notice ("Default Purchase Option Notice" as more fully described below) to all of the Equity Owners. The Non-Defaulting Equity Owners shall have the option, but no obligation, for the sixty (60)-day period commencing upon the date of the Default Purchase Option Notice to purchase all, but not less than all, of a Defaulting Equity Owner's Interest as provided in this Section 8.5(b). The option granted in this Section 8.5(b) (the "Default Purchase Option") shall be exercisable in the following manner and in accordance with the following terms:

(1) The Default Purchase Option Notice shall notify the Non-Defaulting Equity Owners that they have the opportunity to purchase all, but not less than all, of the Ownership Interest owned by the Defaulting Equity Owner ("Available Ownership Interest").

(2) A Non-Defaulting Equity Owner wishing to exercise the Default Purchase Option shall so notify ("Exercise Notice") the Defaulting Equity Owner and the Company within forty-five (45) days after the date that the Default Purchase Option Notice is given.

(3) Each Non-Defaulting Equity Owner electing to exercise the Default Purchase Option (each an "Electing Equity Owner" and collectively "Electing Equity Owners") shall be entitled to purchase a portion of the Available Ownership Interest proportionate to the Electing Equity Owner's sharing ratio.

(4) The closing for any purchase and sale of the Available Ownership Interest pursuant to this Section 8.5(b) shall take place within ninety (90) days after the date that the Default Purchase Option Notice is given. The specific time and place of closing shall be as agreed by the Electing Equity Owners and the Defaulting Member; provided, however, that in the absence of agreement, the closing shall take place at the offices of Sullivan PC, 7 East 20<sup>th</sup> Street, 4R, New York, NY 10003.

(5) The price for the Defaulting Equity Owner's Ownership Interest ("Default Buyout Price") shall be equal to the Defaulting Equity Owner's Capital Account balance as of the last day of the month preceding the month in which the Exercise Notice is given. For purposes of this Section 8.5(b), the Company's independent certified public accountant shall determine the balance in the Defaulting Equity Owner's Capital Account, and such determination shall be final for purposes of this Agreement.

(6) Upon any purchase of a Defaulting Equity Owner's Ownership Interest pursuant to this Section 8.5(b), the Default Buyout Price may be paid at closing in immediately available funds, or, in the sole discretion of each Electing Equity Owner, by delivering at closing a note issued by the Electing Members as payment for the portion of the Buyout Price attributable to the portion of the Ownership Interest to be purchased by the Electing Equity Owner. The notes issued as payment for the Default Buyout Price shall be negotiable promissory notes of the Company or of the Electing Equity Owner, as appropriate, bearing interest per annum at a floating rate one percentage point over the prime commercial lending rate in effect from time to time at the principal bank used by the Company for banking and borrowing purposes. Any such notes shall provide for payments of principal and interest in equal consecutive monthly installments over a period of not more than five years from the date of issuance of such note, commencing from the date of issuance of such note. Any such notes shall be pre-payable without penalty, in whole or in part, with prepayments applied to the last installment or installments coming due. Such notes shall provide that if any installment of principal or interest is not paid when due or if suit is brought thereon, the maker will pay all costs of collection, including reasonable attorneys' fees.

(7) After purchasing an Available Ownership Interest, each Electing Equity Owner shall make an additional Capital Contribution to the Company in an amount equal to the proportionate share of the Defaulted Capital Contribution attributable to the portion of the Available Ownership Interest purchased by the Electing Equity Owner.

## **ARTICLE 9. ALLOCATIONS, INCOME TAX, DISTRIBUTIONS, ELECTIONS AND REPORTS**

9.1 **Allocations of Profits and Losses from Operations.** Except as provided in Sections 9.2 and 9.3, the Profits and Losses for each Fiscal Year shall be allocated as follows:

(a) Losses shall be allocated among the Equity Owners in proportion to their Adjusted Capital Contributions

(b) Profits shall be allocated as follows:

(i) First, to each Equity Owner which previously has been allocated Losses pursuant to Section 9.1(a) which have not been fully offset by allocations of Income pursuant to this Section 9.1(b)(i) ("Un-recovered Losses") until the total amount of Profits allocated to each such Equity Owner pursuant to this Section 9.1 (b)(i) is equal to the total amount of Losses which have been allocated to such Equity Owner pursuant to Section 9.1(a). Profits allocated pursuant to this Section 9.1(b)(i) shall be allocated to the Equity Owners in proportion to their respective Un-recovered Losses;

(ii) Second, to each Equity Owner an amount equal to the total amount Distributed to such Equity Owner pursuant to Section 9.4(b) proportionate with the total amount Distributed to the Equity Owners pursuant to Section 9.4(b);

(iii) Third, to the Equity Owners in proportion to their Sharing Ratios.

**9.2 Special Allocations to Capital Accounts.** Notwithstanding Section 9.1 hereof:

(a) In the event that any Equity Owner unexpectedly receives any adjustments, allocations or Distributions described in Sections 1.704-1(b)(2)(ii)(d)(4), (5), or (6) of the Regulations, which create or increase a Deficit Capital Account of such Equity Owner, then items of Company income and gain, consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year and, if necessary, for subsequent years, shall be specially allocated to such Equity Owner in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Deficit Capital Account so created as quickly as possible. It is the intent that this Section 9.2(a) be interpreted to comply with the alternate test for economic effect set forth in Section 1.704-1(b)(2)(ii)(d) of the Regulations.

(b) The Losses allocated pursuant to Section 9.1 hereof shall not exceed the maximum amount of Losses that can be so allocated without causing any Member to have a Deficit Capital Account at the end of any Fiscal Year. In the event that some, but not all, of the Members would have Deficit Capital Accounts as a consequence of an allocation of Losses pursuant to Section 9.1 hereof, the limitation set forth in the preceding sentence shall be applied on a Member by Member basis so as to allocate the maximum permissible Losses to each Member under Section 1.704-1(b)(2)(ii)(d) of the Regulations. All Losses in excess of the limitation set forth in this Section 9.2(b) shall be allocated to the Members in proportion to their respective positive Capital Account balances, if any, and thereafter to the Members in accordance with their interests in the Company as determined by the Managers in their reasonable discretion. In the event that any Equity Owner would have a Deficit Capital Account at the end of any Fiscal Year which is in excess of the sum of any amount, if any, that such Equity Owner is obligated to restore to the Company under Section 1.704-1(b)(2)(ii)(c) of the Regulations and such Equity Owner's share of Company Minimum Gain as defined in Section 1.704-2(g)(1) of the Regulations (which is also treated as an obligation to restore in accordance with Section 1.704-1(b)(2)(ii)(d) of the Regulations), the Capital Account of such Equity Owner shall be specially credited with items of Company income, including gross income, and gain in the amount of such excess as quickly as possible.

(c) Notwithstanding any other provision of this Section 9.2, if there is a net decrease in the Company Minimum Gain as during a Fiscal Year, then the Capital Accounts of each Equity Owner shall be allocated items of income, including gross income, and gain for such

Fiscal Year, and if necessary for subsequent Fiscal Years, equal to that Equity Owner's share of the net decrease in Company Minimum Gain. This Section 9.2(c) is intended to comply with the minimum gain chargeback requirement of Section 1.704-2 of the Regulations and shall be interpreted consistently therewith. If in any Fiscal Year that the Company has a net decrease in the Company Minimum Gain, if the minimum gain chargeback requirement would cause a distortion in the economic arrangement among the Equity Owners and it is not expected that the Company will have sufficient other income to correct that distortion, the Managers may in their discretion seek to have the Internal Revenue Service waive the minimum gain chargeback requirement in accordance with Section 1.704-2(f)(4) of the Regulations.

(d) Notwithstanding any other provision of this Section 9.2, except Section 9.2(c), if there is a net decrease in Member Minimum Gain attributable to a Member Non-recourse Debt during any Company Fiscal Year, each Member who has a share of the Member Minimum Gain as of the beginning of the Fiscal Year shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) equal to such Member's share of the net decrease in Member Minimum Gain attributable to such Member Non-recourse Debt. A Member's share of the net decrease in Member Minimum Gain shall be determined in accordance with Section 1.704-2(i)(4) of the Regulations; provided, however, that a Member shall not be subject to this provision to the extent that an exception is provided by Section 1.704-2(i)(4) of the Regulations and any Revenue Rulings issued with respect thereto. Any Member Minimum Gain allocated pursuant to this provision shall consist of first, gains recognized from the disposition of Company Property subject to the Member Non-recourse Debt, and, second, if necessary, a pro rata portion of the Company's other items of income or gain, including gross income, for that Fiscal Year. This Section 9.2(d) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

(e) Items of Company loss, deduction and expenditures described in Section 705(a)(2)(B) of the Code which are attributable to any non-recourse debt of the Company and are characterized as partner non-recourse deductions under Section 1.704-2(i) of the Regulations shall be allocated to the Equity Owners' Capital Accounts in accordance with said Section 1.704-2(i) of the Regulations.

(f) Beginning in the first taxable year in which there are allocations of "non-recourse deductions", described in Section 1.704-2(b) of the Regulations, such deductions shall be allocated to the Equity Owners in the same manner as Loss is allocated for such period.

(g) To the extent that an adjustment to the adjusted tax basis of any Company asset pursuant to Section 734(b) or 743(b) of the Code is required pursuant to Section 1.704-1(b)(2)(iv)(m)(2) or 1.704-1(b)(2)(iv)(m)(4) of the Regulations, to be taken into account in determining Capital Accounts as the result of a Distribution to an Equity Owner in complete liquidation of its Ownership Interest, the amount of such adjustment to Capital Accounts shall be treated as an item of gain, if the adjustment increases the basis of them asset. or loss, if the adjustment decreases such basis, and such gain or loss shall be specially allocated to the Equity Owners in accordance with their interests in the Company in the event Section 1.704-1(b)(2)(iv)(m)(2) of the Regulations applies, or to the Equity Owner to whom such Distribution was made in the event Section 1.704-1(b)(2)(iv)(m)(4) of the Regulations applies.

(h) Any income, gain, loss or deduction realized by the Company as a direct or indirect result of the issuance of an interest in the Company by the Company to an Equity Owner ("Issuance Items") shall be allocated among the Equity Owners so that, to the extent possible, the net amount of such Issuance Items, together with all other allocations under this Agreement to each Equity Owner, shall be equal to the net amount that would have been allocated to each such Equity Owner if the Issuance Items had not been realized.

**9.3 Credit or Charge to Capital Accounts.** Any credit or charge to the Capital Accounts of the Equity Owners pursuant to Sections 9.2(a), 9.2(b), 9.2(c), 9.2(d), 9.2(e), 9.2(f) and 9.2(g) ("Regulatory Allocations") hereof shall be taken into account in computing subsequent allocations of Profits and Losses pursuant to Section 9.1, so that the net amount of any items charged or credited to Capital Accounts pursuant to Section 9.1 and the Regulatory Allocations hereof and this Section 9.3 shall to the extent possible, be equal to the net amount that would have been allocated to the Capital Account of each Equity Owner pursuant to the provisions of this Article 9 if the special allocations required by the Regulatory Allocations hereof had not occurred.

**9.4 Distributions.** Except as provided in Sections 8.3(d) (with respect to liquidating Distributions) and 9.5 (with respect to limitations on Distributions), the Managers shall Distribute Distributable Cash to the Equity Owners as follows:

(a) First, to each Equity Owner in proportion to the federal taxable income of the Company which will be allocated to such Equity Owner ("Tax Profits") for the current Fiscal Year as reasonably estimated by the Managers no later than 10 days prior to the dates that federal estimated quarterly taxes are due for individuals an amount equal to the remainder, if any, of: (x) forty percent (40%) of the estimated Tax Profits allocable to such Equity Owner for the portion of the year ending on the last day of the most recent quarter, minus (y) the sum of all Distributions made to each such Equity Owner pursuant to this Section 9.4(a) with respect to such Fiscal Year, plus forty percent (40%) of any Un-recovered Tax Losses attributable to such Equity Owner as of the first day of the current Fiscal Year. The Un-recovered Tax Losses attributable to an Equity Owner shall mean the positive remainder, if any, of such Equity Owner's share of Company federal tax losses for all prior Fiscal Years minus the Equity Owner's share of Tax Profits for all prior Fiscal Years. The objective of this Section 9.4(a), is to make distributions with reference to each Equity Owner's, and such Equity Owner's predecessor's, share of cumulative Company taxable income or loss. Without limiting this objective, for purposes of this Section 9.4(a), an Equity Owner's share of Tax Profits and Un-recovered Tax Losses shall be determined with reference to Sections 704(c), 734, and 743 of the Code.

(b) Second, to the Equity Owners until they have received aggregate Distributions under this Section 9.4(b) equal to the mathematical equivalent of interest at the rate of twenty five percent (25%) simple interest per annum on the balance from time to time of their respective Adjusted Capital Contributions.

(c) Third, to the Equity Owners proportionate with their Adjusted Capital Contributions until the amount of their respective Adjusted Capital Contributions equals zero.

(d) Fourth, to the Equity Owners in accordance with their Sharing Ratios.

All Distributions which, when made, exceed the recipient Equity Owner's basis in that Equity Owner's Ownership Interest shall be considered advances or drawings against the Equity Owner's Distributive share of Income. To the extent it is determined at the end of the Fiscal Year

that the recipient Equity Owner has not been allocated Income that equals or exceeds the total of such advances or drawings for such year, such Equity Owner shall be obligated to re-contribute any such advances or drawings to the Company. Notwithstanding the foregoing sentence, an Equity Owner will not be required to re-contribute such advances or drawings to the extent that, on the last day of the Fiscal Year, such Equity Owner's basis in its Ownership Interest in the Company has increased from the time of such advance or drawing. Any advance or drawings which are re-contributed by a Member pursuant to this Section 9.4, shall be redistributed to such Member either at the option of such Member or at such time that such distribution will not exceed such Member's basis in its Ownership Interest.

**9.5 Limitation Upon Distributions.** No Distribution shall be made if such Distribution would violate the Act.

**9.6 Accounting Principles.** For financial reporting purposes, the Company shall use accounting principles applied on a consistent basis using the accrual method of accounting determined by the Managers, unless the Company is required to use a different method of accounting for federal income tax purposes, in which case that method of accounting shall be the Company's method of accounting.

**9.7 Interest on and Return of Capital Contributions.** No Member shall be entitled to interest on its Capital Contribution or to return of its Capital Contribution, except as otherwise specifically provided for herein.

**9.8 Loans to Company.** Nothing in this Agreement shall prevent any Member from making secured or unsecured loans to the Company by agreement with the Company.

**9.9 Accounting Period.** The Company's accounting period shall be the Fiscal Year.

**9.10 Records and Reports.** At the expense of the Company, the Managers shall maintain records and accounts of all operations and expenditures of the Company. At a minimum the Company shall keep at its principal place of business the following records:

(a) A current list of the full name and last known business, residence, or mailing address of each Equity Owner and Manager, both past and present;

(b) A copy of the Articles of Organization and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any amendment has been executed;

(c) Copies of the Company's federal, state, and local income tax returns and reports, if any, for the four most recent Fiscal Years;

(d) Copies of the Company's currently effective written Agreement, copies of any writings permitted or required with respect to an Equity Owner's obligation to contribute cash, property or services, and copies of any financial statements of the Company for the three (3) most recent Fiscal Years;

(e) Minutes of every annual, special and court-ordered meeting;

(f) Any written consents obtained from Members for actions taken by Members without a meeting.

**9.11 Returns and Other Elections.** The Managers shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to the

Equity Owners within a reasonable time after the end of the Fiscal Year. All elections permitted to be made by the Company under federal or state laws shall be made by the Managers in their sole discretion; provided, however, that the Managers shall make any tax election requested by Members owning a Majority Interest.

**9.12 Tax Matters Partner.** Any Manager selected by a vote of the Managers, so long as the Manager so selected is also a Member, is hereby designated the Tax Matters Partner ("TMP") as defined in Section 6231(a)(7) of the Code. The TMP and the other Members shall use their reasonable efforts to comply with the responsibilities outlined in Sections 6221 through 6233 of the Code, including any Regulations promulgated thereunder, and in doing so shall incur no liability to any other Member.

**9.13 Certain Allocations for Income Tax (But Not Book Capital Account) Purposes.**

(a) In accordance with Section 704(c)(1)(A) of the Code and Section 1.704-1(b)(2)(i)(iv) of the Regulations, if a Member contributes property with an initial Gross Asset Value that differs from its adjusted basis at the time of contribution, income, gain, loss and deductions with respect to the property shall, solely for federal income tax purposes and not for Capital Account purposes, be allocated among the Equity Owners so as to take account of any variation between the adjusted basis of such property to the Company and its Gross Asset Value at the time of contribution pursuant to the traditional method under Section 1.704-3(b) of the Regulations

(b) Pursuant to Section 704(c)(1)(B) of the Code, if any contributed property is Distributed by the Company other than to the contributing Equity Owner within seven years of being contributed, then, except as provided in Section 704(c)(2) of the Code, the contributing Equity Owner shall, solely for federal income tax purposes and not for Capital Account purposes, be treated as recognizing gain or loss from the sale of such property in an amount equal to the gain or loss that would have been allocated to such Equity Owner under Section 704(c)(1)(A) of the Code if the property had been sold at its fair market value at the time of the Distribution.

(c) In the case of any Distribution by the Company to an Equity Owner, such Equity Owner shall, solely for federal income tax purposes and not for Capital Account purposes, be treated as recognizing gain in an amount equal to the lesser of:

(1) the excess, if any, of (A) the fair market value of the property (other than money) received in the Distribution over (B) the adjusted basis of such Equity Owner's Ownership Interest immediately before the Distribution reduced (but not below zero) by the amount of money received in the Distribution; or

(2) the Net Pre-contribution Gain, as defined in Section 737(b) of the Code, of the Equity Owner. The Net Pre-contribution Gain means the net gain, if any, which would have been recognized by the distributee Equity Owner under Section 704(c)(1)(B) of the Code if all property which (A) had been contributed to the Company within seven years of the Distribution, and (B) is held by the Company immediately before the Distribution, had been Distributed by the Company to another Equity Owner. If any portion of the property Distributed consists of property which had been contributed by the distributee Equity Owner to the Company, then such property shall not be taken into account under this Section 9.13(c) and shall not be taken into account in determining the amount of the Net Pre-contribution Gain. If the property Distributed consists of an interest in an Entity, the preceding sentence shall not apply to the extent

that the value of such interest is attributable to the property contributed to such Entity after such interest had been contributed to the Company.

(d) All recapture of income tax deductions resulting from sale or disposition of Company Property shall be allocated to the Equity Owners to whom the deduction that gave rise to such recapture was allocated hereunder to the extent that such Equity Owner is allocated any gain from the sale or other disposition of such property.

## **ARTICLE 10. TRANSFERABILITY**

### **10.1 General.**

(a) Except as otherwise specifically provided herein, no Equity Owner shall have the right to Transfer the Equity Owner's Ownership Interest and any transfer by an Equity Owner in violation of the terms of this Article shall be void *ab initio*.

(b) Each Equity Owner hereby acknowledges the reasonableness of the restrictions on Transfer of Ownership Interests imposed by this Agreement in view of the Company purposes and the relationship of the Equity Owners. Accordingly, the restrictions on sale and gift contained herein shall be specifically enforceable.

### **10.2 Right of First Refusal.**

(a) A Selling Equity Owner that desires to sell all or any portion of its Ownership Interest to a any person, including a Member or the Company shall obtain from such third party purchaser ("Third Party Purchaser") a bona fide written offer to purchase such interest, stating the terms and conditions upon which the purchase is to be made and the consideration offered therefor ("Third Party Offer"). The Selling Equity Owner shall give written notification ("Notice of Sale") to the Company and other Equity Owners who are Members ("Remaining Members"), by certified mail or personal delivery, of its intention to so transfer such Ownership Interest ("Offered Interest"). The Notice of Sale shall be accompanied by a copy of the Third Party Offer. If any portion of the purchase price offered by such third party purchaser consists of consideration other than cash or a promissory note ("Non-cash Consideration"), then: (1) the Notice of Sale also shall be accompanied by a good faith estimate by the Selling Equity Owner of the fair market value of the Non-cash Consideration, and (2) for purposes of Section 10.2(b) and 10.2(c) the purchase price of the Offered Interest (the "Purchase Price") shall be adjusted as follows:

(1) The Purchase Price shall be decreased by the Non-cash Consideration; and

(2) The Purchase Price shall be increased by an amount equal to either (aa) the Selling Equity Owner's good faith estimate of the fair market value of the Non-cash Consideration ("Seller's Estimate") or (bb) in the discretion of the Managers, the appraised fair market value of the Non-cash Consideration determined by an independent appraiser selected by the Managers in their sole discretion. The Managers shall have the sole discretion to choose between the amount determined pursuant to clauses (aa) and (bb) of this subsection 10.2(a)(ii). If the appraised fair market value of the Non-cash Consideration is not determined within twenty (20) days after the Notice of Sale, then such fair market value shall be equal to the amount of the Seller's Estimate.

(b) The Remaining Members shall have the option ("Buy Option") to purchase

all, but not less than all, of the Offered Interest, on a basis pro rata to the Sharing Ratios of the Remaining Members exercising such option pursuant to this Section 10.2(b). The Buy Option may be exercised by one or more of the Remaining Members by giving written notification ("Buy Notice") to the Selling Equity Owner within thirty (30) days after receiving the Notice of Sale ("Option Period"). Each Remaining Member who timely gives a Buy Notice ("Buying Member") shall purchase such portion of the Offered Interest which is equal to the relative Sharing Ratios of all of the Buying Members. If there are no Buying Members, the Buy Option shall terminate and at any time within ninety (90) days following the expiration of the Option Period, the Selling Equity Owner shall be entitled to consummate the sale of the Offered Interest to the Third Party Purchaser or one or more of its Affiliates upon terms no less favorable than are set forth in the Third Party Offer.

(c) If there is at least one Buying Member (i) the Buying Members shall designate the time, date and place of closing, provided that the date of closing shall be within thirty (30) days after the receipt of the Buy Notice, and (ii) at the closing, the Buying Members shall purchase, and the Selling Equity Owner shall sell, the Offered Interest for an amount equal to the Purchase Price as modified in accordance with Section 10.2(a)(i) and (ii) and in accordance with such other terms and conditions set forth in the Third Party Offer.

(d) A sale of an Offered Interest pursuant to this Section 10.2, shall be subject to Sections 10.3 and 10.4.

#### **10.3 Transferee Not Member in Absence of Consent.**

(a) Except as provided in this Section 10.3(a), if all of the Remaining Members holding One Hundred Percent Interest do not approve by written consent of the proposed sale of the Transferring Equity Owner's Ownership Interest to a transferee that is not a Member immediately prior to the sale, then the proposed transferee shall have no right to participate in the management of the business and affairs of the Company or to become a Member. Such transferee shall be merely an Economic Interest Owner. No transfer of a Member's Membership Interest, including any transfer of the Economic Interest or any other transfer which has not been approved as provided herein, shall be effective unless and until written notice, including the name and address of the proposed transferee and the date of such transfer, has been provided to the Company and the non-transferring Members.

(b) Upon and contemporaneously with any sale or gift of a Member's Ownership Interest, the Transferring Equity Owner shall cease to have any residual rights associated with the Ownership Interest transferred to the transferee.

#### **10.4 Additional Conditions to Recognition of Transferee.**

(a) If a Transferring Equity Owner sells or gifts an Ownership Interest to a Person who is not already a Member, as a condition to recognizing one or more of the effectiveness and binding nature of such sale or gift (subject to Section 10.3 above), the remaining Members may require the Transferring Equity Owner and the proposed successor-in-interest to execute, acknowledge and deliver to the Managers such instruments of transfer, assignment and assumption and such other certificates, representations and documents, and to perform all such other acts which the Managers may deem necessary or desirable to accomplish any one or more of the following:

- (1) constitute such successor-in-interest as an Equity Owner;
- (2) confirm that the proposed successor-in-interest as an Economic

Interest Owner, or to be admitted as a Member, has accepted, assumed and agreed to be subject and bound by all of the terms, obligations and conditions of this Agreement, as the same may have been further amended whether such Person is to be admitted as a new Member or will merely be an Economic Interest Owner;

(3) preserve the Company after the completion of such sale, transfer, assignment, or substitution under the laws of each jurisdiction in which the Company is qualified, organized or does business;

(4) maintain the status of the Company for federal tax purposes; and

(5) assure compliance with any applicable state and federal laws, including securities laws and regulations.

(b) Any sale or gift of an Ownership Interest and admission of a Member in compliance with this Article 10 shall be deemed effective as of the last day of the calendar month in which the remaining Members' consent thereto was given or, if no such consent was required pursuant to Section 10.3, then on such date that the successor in interest complies with Section 10.4(a). The Transferring Equity Owner hereby indemnifies the Company and the remaining Members against any and all loss, damage, or expense, including, without limitation, tax liabilities or loss of tax benefits, arising directly or indirectly as a result of any transfer or purported transfer in violation of this Article 10.

**10.5 Transfers Among Existing Members.** From time to time the Existing Members may re-allocate Membership Interests among themselves and on such terms as the Members holding One Hundred Percent Interest may agree in writing.

## **ARTICLE 11. ISSUANCE OF MEMBERSHIP INTERESTS**

**11.1 Issuance of Additional Membership Interests to New Members.** From the date of the formation of the Company, any Person whom Members holding One Hundred Percent Interest approve in writing may become a Member in the Company by the issuance by the Company of Membership Interests for such consideration as the Members holding One Hundred Percent Interest shall determine, subject to the terms and conditions of this Agreement.

**11.2 Part Year Allocations With Respect to New Members.** No new Members shall be entitled to any retroactive allocation of losses, income or expense deductions incurred by the Company. In accordance with the provisions of Section 706(d) of the Code and the Regulations promulgated thereunder, the Managers may, at their option, at the time a Member is admitted, close the Company books (as though the Company's Fiscal Year had ended) or make pro rata allocations of loss, income and expense deductions to a new Equity Owner for that portion of the Company's Fiscal Year in which an Equity Owner became an Equity Owner.

## **ARTICLE 12. DISSOLUTION AND TERMINATION**

### **12.1 Dissolution.**

(a) The Company shall be dissolved only upon the occurrence of any of the following events:

(1) the written agreement of Members holding One Hundred Percent Interest;

(2) by an order of a court of competent jurisdiction in an action

commenced by any Member in which such Member can show by a preponderance of the evidence that:

(i) The Members are unreasonably deadlocked in the management of the Company's affairs after a good faith attempt by such Members to resolve their differences, and irreparable injury to the Company is threatened, or the business and affairs of the corporation can no longer be conducted, because of such deadlock;

(ii) The Managers or other Members in control of the Company have acted, are acting, or will act in a manner that is illegal, oppressive, or fraudulent;

(iii) There have been repeated, material breaches of the Agreement by the Company or by other Members or Managers; or

(iv) The Company's assets are being misapplied or wasted.

Notwithstanding anything to the contrary in the Act, the Company shall not be dissolved upon the death, retirement, resignation, expulsion, bankruptcy or dissolution of an Equity Owner.

(b) As soon as possible following the issuance of an order effecting the dissolution of the Company, the appropriate representative of the Company shall execute all documents required by the Act at the time of dissolution and file or record such statements with the appropriate officials.

**12.2 Effect of Dissolution.** Upon dissolution, the Company shall cease to carry on its business, except insofar as may be necessary for the winding up of its business, but its separate existence shall continue until the winding up and Distribution is completed.

**12.3 Winding Up, Liquidation and Distribution of Assets.**

(a) Upon dissolution, an accounting shall be made by the Company's Managers of the accounts of the Company and of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution. The Managers shall immediately proceed to wind up the affairs of the Company.

(b) If the Company is dissolved and its affairs are to be wound up, the Managers shall:

(1) Sell or otherwise liquidate all of the Company's assets as promptly as practicable, except to the extent that the Managers may determine to Distribute in kind any assets to the Equity Owners;

(2) Allocate any Profit or Loss resulting from such sales to the Equity Owners' Capital Accounts in accordance with Article 9 hereof;

(3) Discharge all liabilities of the Company, including liabilities to Equity Owners who are also creditors, to the extent otherwise permitted by law, other than liabilities to Equity Owners for Distributions and the return of capital, and establish such Reserves as may be reasonably necessary to provide for contingent liabilities of the Company For purposes of determining the Capital Accounts of the Equity Owners, the amounts of such Reserves shall be deemed to be an expense of the Company;

(4) Distribute the remaining assets to the Equity Owners as follows:

(i) First, to the Equity Owners until they have received aggregate Distributions under this Section 12.3(b) equal to two hundred percent (200%) of their

positive Capital Account balances;

(ii) Second, to the Equity Owners in accordance with their Sharing Ratios.

(5) If any assets of the Company are to be distributed in kind, the net fair market value of such assets as of the date of dissolution shall be determined by independent appraisal or by agreement of the Members. Such assets shall be deemed to have been sold as of the date of dissolution for their fair market value, and the Capital Accounts of the Equity Owners shall be adjusted pursuant to the provisions of Article 9 and Section 8.3 of this Agreement to reflect such deemed sale; and

(6) The positive balance, if any, of each Equity Owner's Capital Account, as determined after taking into account all Capital Account adjustments for the Company's Fiscal Year during which the liquidation occurs, shall be Distributed to the Equity Owners, either in cash or in kind, as determined by the Managers, with any assets Distributed in kind being valued for this purpose at their fair market value. Any such Distributions to the Equity Owners in respect of their Capital Accounts shall be made in accordance with the time requirements set forth in Section 1.704-1(b)(2)(ii)(b)(2) of the Regulations.

(c) Notwithstanding anything to the contrary in this Agreement, upon a liquidation within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations, if any Equity Owner has a Deficit Capital Account, after giving effect to all contributions, Distributions, allocations and other Capital Account adjustments for all Fiscal Years, including the year during which such liquidation occurs, such Equity Owner shall have no obligation to make any Capital Contribution, and the negative balance of such Member's Capital Account shall not be considered a debt owed by such Equity Owner to the Company or to any other Person for any purpose whatsoever.

(d) Upon completion of the winding up, liquidation and Distribution of the assets, the Company shall be deemed terminated.

(e) The Managers shall comply with any applicable requirements of applicable law pertaining to the winding up of the affairs of the Company and the final Distribution of its assets.

**12.4 Filing or Recording Statements.** Upon the conclusion of winding up, the appropriate representative of the Company shall execute all documents required by the Act at the time of completion of winding up and file or record such statements with the appropriate officials.

**12.5 Return of Contribution Non-recourse to Other Equity Owners.** Except as provided by law or as expressly provided in this Agreement, upon dissolution, each Equity Owner shall look solely to the assets of the Company for the return of its Capital Contribution. If the Company Property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the cash contribution of one or more Equity Owners, such Equity Owners shall have no recourse against any other Equity Owner.

## **ARTICLE 13. MISCELLANEOUS PROVISIONS**

**13.1 Notices.** Any notice, demand, or communication required or permitted to be given by any provision of this Agreement shall be deemed to have been sufficiently given or served if delivered by messenger or overnight courier, or mailed, certified first class mail, postage prepaid,

return receipt requested, and addressed or sent to the Equity Owner's and/or Company's address, as set forth on Exhibit 13.1. Such notice shall be effective, (a) if delivered by messenger or by overnight courier, upon actual receipt, or if the date of actual receipt is not a business day in the State of New York, upon the next business day; or (b) if mailed, upon the earlier of five (5) business days after deposit in the mail and the delivery as shown by return receipt therefor. Any Equity Owner or the Company may change its address by giving notice in writing to the Company and the other Equity Owners of its new address.

**13.2 Books of Account and Records.** Proper and complete records and books of account shall be kept or shall be caused to be kept by the Managers, in which shall be entered fully and accurately all transactions and other matters relating to the Company's business in such detail and completeness as is customary and usual for businesses of the type engaged in by the Company. Such books and records shall be maintained as provided in Section 9.10. The books and records shall at all times be maintained at the principal executive office of the Company, and shall be open to the reasonable inspection and examination of the Equity Owners or their duly authorized representatives during reasonable business hours.

**13.3 Application of Law.**

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

(b) **Jurisdiction; Venue.** Any disputes arising out of or related in any way to this Agreement, including a breach of this Agreement, shall be filed in the state or federal courts in New York County, New York. By execution and delivery of this Agreement, each of the signors knowingly, voluntarily and irrevocably consent and agree to the jurisdiction of the New York courts. No signor will argue or contend that it is not subject to the jurisdiction of the New York courts or that venue in New York County, New York, is improper.

(c) **Waiver of Jury Trial.** By execution and delivery of this Agreement, each of the signors knowingly, voluntarily and irrevocably: (i) waives any right to trial by jury; (ii) agrees that any dispute arising out of this Agreement shall be decided by court trial without a jury; and (iii) agrees that any party to this Agreement may file an original counterpart with any court as written evidence of the consents, waivers and agreements of the parties set forth herein.

**13.4 Waiver of Action for Partition.** Each Equity Owner irrevocably waives during the term of the Company any right that it may have to maintain any action for partition with respect to the Company Property.

**13.5 Amendments.** This Agreement may not be amended except by the unanimous written agreement of all of the parties hereto.

**13.6 Execution of Additional Instruments.** Each Equity Owner hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney and other instruments necessary to comply with any laws, rules or regulations.

**13.7 Construction.** Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

**13.8 Effect of Inconsistencies with the Act.** It is the express intention of the Equity

Owners and the Company that this Agreement shall be the sole source of agreement among them, and, except to the extent that a provision of this Agreement expressly incorporates federal income tax rules by reference to sections of the Code or Regulations or is expressly prohibited or ineffective under the Act, this Agreement shall govern, even when inconsistent with, or different than, the provisions of the Act or any other law or rule. In the event that the Act is subsequently amended or interpreted in such a way to make valid any provision of this Agreement that was formerly invalid, such provision shall be considered to be valid from the effective date of such interpretation or amendment. The Members and the Company hereby agree that the duties and obligations imposed on the Members as such shall be those set forth in this Agreement, which is intended to govern the relationship among the Company and the Equity Owners, notwithstanding any provision of the Act or common law to the contrary.

13.9 **Waivers.** The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

13.10 **Rights and Remedies Cumulative.** The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

13.11 **Attorneys' Fees.** Should the Company or any party to this Agreement reasonably retain counsel for the purpose of enforcing or preventing breach of any provision of this Agreement, including but not limited to instituting any action or proceeding to enforce any provision of this Agreement, for damages by reason of any alleged breach of any provision of this Agreement, for a declaration of such party's rights or obligations under this Agreement or for any other judicial remedy, then, if the matter settled by judicial determination or arbitration, the prevailing party, whether at trial, on appeal, or arbitration, shall be entitled, in addition to such other relief as may be granted, to be reimbursed by the losing party for all costs and expenses incurred, including, but not limited to, reasonable attorneys' fees and costs for services rendered to the prevailing party.

13.12 **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. Without limiting the generality of the foregoing sentence, to the extent that any provision of this Agreement is prohibited or ineffective under the Act or common law, this Agreement shall be considered amended to the smallest degree possible in order to make the Agreement effective under the Act or common law.

13.13 **Heirs, Successors and Assigns.** Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Agreement, their respective heirs, legal representatives, successors and assigns.

13.14 **Creditors.** None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company.

13.15 **Counterparts.** This Agreement may be executed in counterparts, each of which

shall be deemed an original but all of which shall constitute one and the same instrument.

13.16 Intentionally omitted.

13.17 **Power of Attorney.** Each Equity Owner hereby irrevocably makes, constitutes and appoints the Managers, with full power of substitution, so long as such Managers are acting in such a capacity, and any successor Manager thereof so long as such Manager is acting in such capacity, its true and lawful attorney, in such Equity Owner's name, place and stead with the limited powers herein granted. This instrument is not to be construed and interpreted as a general power of attorney. The enumeration of specific items, act, rights, or powers herein does limit and restrict, and is to be construed and interpreted as limiting and restricting the powers herein granted to said attorney in fact. It is expressly understood and intended that the grant of such power of attorney is coupled with an interest to make, execute, sign, acknowledge, swear and file with respect to the Company. This powers granted herein are limited to the following:

(a) the effectuation of all amendments of this Agreement which has been authorized in accordance with the terms of this Agreement;

(b) the execution of all documents that the Managers deem necessary or desirable to effect the dissolution and termination of the Company which has been authorized in accordance with the terms of this Agreement;

(c) all such other instruments, documents and certificates which may from time to time be required by the laws of the State or any other jurisdiction in which the Company shall determine to do business, or any political subdivision or agency thereof, to effectuate, implement, continue and defend the valid existence of the Company; and

(d) all instruments, documents and certificates which the Managers deem necessary or desirable in connection with a Reorganization which has been authorized in accordance with the terms of this Agreement.

This power of attorney shall not be affected by and shall survive the bankruptcy, insolvency, death, incompetency, or dissolution of an Equity Owner and shall survive the delivery of any assignment by the Equity Owner of the whole or any portion of its Ownership Interest. Each Equity Owner hereby releases each Manager from any liability or claim in connection with the exercise of the authority granted pursuant to this power of attorney, and in connection with any other action taken by such Manager pursuant to which such Manager purports to act as the attorney-in-fact for one or more Equity Owners, if the Manager believed in good faith that such action taken was consistent with the authority granted to it pursuant to this Section. Notwithstanding any language in Section 3.17 to the contrary, the power of attorney described in Section 3.17 shall not permit the Managers to reduce or circumvent any authorization requirement provided in the Agreement.

13.18 **Representations and Warranties.**

(a) In General. As of the date hereof, each of the Equity Owners hereby makes each of the representations and warranties applicable to such Equity Owner as set forth in Section 13.18 hereof, and such warranties and representations shall survive the execution of this Agreement.

(b) No Conflict with Restrictions; No Default. Neither the execution, delivery, and performance of this Agreement nor the consummation by such Equity Owner of the transactions contemplated hereby: (i) will conflict with, violate, or result in a breach of any of the terms, conditions, or provisions of any law, regulation, order, writ, injunction, decree,

determination, or award of any court, any governmental department, board, agency, or instrumentality, domestic or foreign, or any arbitrator, applicable to such Equity Owner or any of its Affiliates; (ii) will conflict with, violate, result in a breach of, or constitute a default under any of the terms, conditions, or provisions of the articles of incorporation, bylaws, partnership agreement, limited liability company agreement or operating agreement of such Equity Owner or any of its Affiliates or of any material agreement or instrument to which such Equity Owner or any of its Affiliates is a party or by which such Equity Owner, or any of its Affiliates is or may be bound or to which any of its material properties or assets is subject; (iii) will conflict with, violate, result in a breach of, constitute a default under (whether with notice or lapse of time or both), accelerate or permit the acceleration of the performance required by, give to others any material interests or rights, or require any consent, authorization, or approval under any indenture, mortgage, lease agreement, or instrument to which such Equity Owner or any of its Affiliates is a party or by which such Equity Owner or any of its Affiliates is or may be bound; or (iv) will result in the creation or imposition of any lien upon any of the material properties or assets of such Equity Owner or any of its Affiliates.

(3) Government Authorizations. Any registration, declaration, or filing with, or consent, approval, license, permit, or other authorization or order by, any government or regulatory authority, domestic or foreign, that is required in connection with the valid execution, delivery, acceptance, and performance by such Equity Owner under this Agreement or the consummation by such Equity Owner of any transaction contemplated hereby has been completed, made, or obtained on or before the Effective Date of this Agreement.

(4) Litigation. There are no actions, suits, proceedings, or investigations pending or, to the knowledge of such Equity Owner or any of its Affiliates, threatened against or affecting such Equity Owner or any of its Affiliates or any of their properties, assets, or businesses in any court or before or by any governmental department, board, agency, or instrumentality, domestic or foreign, or any arbitrator which could, if adversely determined (or, in the case of an investigation could lead to any action, suit, or proceeding, which if adversely determined could, reasonably be expected to materially impair such Equity Owner's ability to perform its obligations under this Agreement or to have a material adverse effect on the consolidated financial condition of such member; and such Equity Owner or any of its Affiliates has not received any currently effective notice of any default, and such Equity Owner or any of its Affiliates is not in default, under any applicable order, writ, injunction, decree, permit, determination, or award of any court, any governmental department, board, agency, or instrumentality, domestic or foreign, or any arbitrator which could reasonably be expected to materially impair such Equity Owner's ability to perform its obligations under this Agreement or to have a material adverse effect on the consolidated financial condition of such Equity Owner.

#### 13.19 Confidentiality.

(a) The parties hereto shall hold in confidence and not disclose to any person for any purpose any and all information relevant to: Company; the businesses of the Company, and the Intellectual Property, and any other information reasonably related to the foregoing ("Confidential Information").

(b) The parties hereto shall hold the Confidential Information in complete confidence and not disclose said information to any person for any purpose other than as required

by law, except that Equity Owners may disclose the Confidential Information, only to the extent reasonably necessary to the officers, directors, shareholders of Equity Owners, Equity Owner's attorneys and accountants ("Equity Owners' Representatives") if the Equity Owners' Representatives are needed to evaluate the information on the behalf of Equity Owners. Equity Owners shall take all reasonable steps necessary to assure adherence by Equity Owner's Representatives to the provisions of this Section.

(c) The parties hereto also acknowledge that, from time to time, the Company may, at its sole discretion, specify in writing, certain additional information as included in the Confidential Information and subject to the terms of this Agreement.

(d) The parties hereto acknowledge and agree that awareness by anyone other than the Company and the Equity Owners of any of the Confidential Information will irreparably harm the businesses of the Company and the interests of the Members. The parties hereto agree that any breach of this Agreement constitutes a substantial and irreparable breach of the Agreement.

(e) The parties hereto may disclose, only to the minimal extent legally necessary, including, without limitation, the filing of judicial or administrative appeals or requests for orders, Confidential Information in response to any immediately legally enforceable summons or subpoena or in order to comply with any order, law, ruling, stock exchange rule or regulation immediately applicable to Equity Owners. In the event that any party hereto becomes aware of any possibility of a legal compulsion to disclose the Confidential Information, such party shall provide the Company with notice of such requirement as quickly as possible to permit the Company to seek a protective order or other appropriate remedy to prevent disclosure of the Confidential Information.

**13.20 Noncompetition Agreement.** The members hereby affirm their obligations under the Noncompetition Agreement of even date hereof annexed hereto as Exhibit 13.20, which document is included herein by reference. It is specifically agreed and understood that a breach of the Noncompetition Agreement: (a) constitutes a material breach of this Operating Agreement; and (b) permits the remaining members to, within one hundred and eighty (180) days of the discovery of said breach, opt to require the breaching member to transfer all of his or her interests in the Company to the Company upon the terms provided in Section 10.2 of this Operating Agreement.

**13.21 Captions.** The captions in this Agreement are for convenience only and shall not be considered a part hereof or affect the construction or interpretation of any provisions of this Agreement.

#### *CERTIFICATE*

The undersigned hereby agree, acknowledge and certify that the foregoing Agreement, consisting of \_\_\_\_\_ pages, excluding the Table of Contents and attached Exhibits, constitutes the Agreement of Cannabis of America LLC adopted by the Equity Owners as of Cannabis of America LLC.

Cannabis of America, LLC

By:   
Empire Green Labs Management  
Services LLC, Managing Member

**EXHIBIT 8.1**

**INITIAL CAPITAL CONTRIBUTIONS**

<b>Name and Address of Initial Member</b>	<b>Initial Capital Contribution</b>
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**EXHIBIT 8.2**

**ADDITIONAL CAPITAL CONTRIBUTIONS**

<b>Member</b>	<b>Maximum Capital Contribution</b>	<b>Additional</b>
---------------	-------------------------------------	-------------------

**EXHIBIT 13.1**

**NAME, ADDRESS AND FACSIMILE NUMBER OF  
EQUITY OWNER**

<b>Name/Address</b>	<b>Facsimile Number</b>
---------------------	-------------------------

ONLINE FILING RECEIPT

ENTITY NAME: JJSL MEDICAL LLC

DOCUMENT TYPE: ARTICLES OF ORGANIZATION (DOM. LLC)

COUNTY: WEST

FILED:05/15/2015 DURATION:\*\*\*\*\* CASH#:150515010375 FILE#:150515010375  
DOS ID:4759918

FILER:

EXIST DATE

ROCKETLAWYER  
5668 E. 61ST STREET  
COMMERCE, CA 90040

05/15/2015

ADDRESS FOR PROCESS:

ROCKET LAWYER CORPORATE SERVICES LLC  
90 STATE STREET  
SUITE 700 BOX 80  
ALBANY, NY 12207

REGISTERED AGENT:



The limited liability company is required to file a Biennial Statement with the Department of State every two years pursuant to Limited Liability Company Law Section 301. Notification that the Biennial Statement is due will only be made via email. Please go to [www.email.ebiennial.dos.ny.gov](http://www.email.ebiennial.dos.ny.gov) to provide an email address to receive an email notification when the Biennial Statement is due.

SERVICE COMPANY: \*\* NO SERVICE COMPANY \*\*  
SERVICE CODE: 00

FEE:	205.00	PAYMENTS	205.00
FILING:	200.00	CHARGE	205.00
TAX:	0.00	DRAWDOWN	0.00
PLAIN COPY:	5.00		
CERT COPY:	0.00		
CERT OF EXIST:	0.00		

DOS-1025 (04/2007)

Authentication Number: 1505150392 To verify the authenticity of this document you may access the Division of Corporation's Document Authentication Website at

**ARTICLES OF ORGANIZATION  
OF  
JJSL Medical LLC**

Under Section 203 of the Limited Liability Company Law

**FIRST:** The name of the limited liability company is:

**JJSL Medical LLC**

**SECOND:** The county, within this state, in which the office of the limited liability company is to be located is WESTCHESTER.

**THIRD:** The Secretary of State is designated as agent of the limited liability company upon whom process against it may be served. The address within or without this state to which the Secretary of State shall mail a copy of any process against the limited liability company served upon him or her is:

ROCKET LAWYER CORPORATE SERVICES LLC  
90 STATE STREET  
SUITE 700 BOX 80  
ALBANY, NY 12207

I certify that I have read the above statements, I am authorized to sign these Articles of Organization, that the above statements are true and correct to the best of my knowledge and belief and that my signature typed below constitutes my signature.

ILLEANA ARINAGA, ORGANIZER (signature)

\_\_\_\_\_  
ILLEANA ARINAGA , ORGANIZER  
5668 E. 61ST STREET  
COMMERCE, CA 90040

**Filed by:**  
ROCKETLAWYER  
5668 E. 61ST STREET  
COMMERCE, CA 90040

**FILED WITH THE NYS DEPARTMENT OF STATE ON: 05/15/2015  
FILE NUMBER: 150515010375; DOS ID: 4759918**

Due to the word MEDICAL in the entity name:

The proposed name includes a phrase that is normally used for a Professional Limited Liability Company. If you believe that the identified phrase is being used in a context that does not imply a Professional Limited Liability Company, you may continue with the online filing. Please be advised, that if this name is later found to be unacceptable by the Department of State, the entity will be required to amend its name, at the expense of the filer, or risk becoming suspended.

**STATEMENT OF DESIGNATION OF  
THE ORIGINAL MEMBERS  
OF  
JSSL MEDICAL LLC  
A(N) NEW YORK LIMITED LIABILITY COMPANY**

The undersigned, being the organizer of JSSL Medical LLC, a(n) New York limited liability company (the "Company"), and acting pursuant to the provisions of the applicable New York law authorizing the organizer to elect the member(s) if the initial member(s) have not been named in the Articles of Organization (the "Articles"), hereby takes the following action and adopts the following resolutions:

**APPOINTMENT OF INITIAL MEMBER(S)**

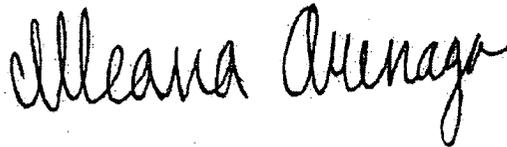
RESOLVED, that the following individuals be, and they hereby are, appointed as the members of the Company, effective as of the date hereof:

Peter Cantone

**RESIGNATION OF ORGANIZER**

RESOLVED, that the undersigned, having appointed the initial member(s) of the Company, hereby resigns as the Organizer of the Company, effective as of the date hereof.

IN WITNESS WHEREOF, the undersigned has executed this Action by Organizer of the Company effective May 18, 2015.



\_\_\_\_\_  
Illeana Arinaga, Organizer



## EIN Assistant

Your Progress: 1. Identity ✓ 2. Authenticate ✓ 3. Addresses ✓ 4. Details ✓ 5. EIN C

**Congratulations! The EIN has been successfully assigned.**

EIN Assigned:

Legal Name: JJSL MEDICAL LLC

The confirmation letter will be mailed to the applicant. This letter will be the applicant's official IRS notice and will contain important information regarding the EIN. Allow up to 4 weeks for the letter to arrive by mail.

**We strongly recommend you print this page for your records.**

Click "Continue" to get additional information about using the new EIN.

[Continue >>](#)

### Help Topics

[Can the EIN the confirm received?](#)

**Operating Agreement of  
JJSL Medical LLC  
A Single Member Limited Liability Company**

**I. Formation.**

a. State of Formation. This is a Limited Liability Company Operating Agreement (the "Agreement") for JJSL Medical LLC, a Manager-managed New York single member limited liability company (the "Company") formed under and pursuant to New York law.

b. Operating Agreement Controls. To the extent that the rights or obligations of the Member or Company under provisions of this Operating Agreement differ from what they would be under New York law absent such a provision, this Agreement, to the extent permitted under New York law, shall control.

c. Primary Business Address. The location of the primary place of business of JJSL Medical LLC is:

22 Bailey Place, New Rochelle, New York 10801, or such other location as shall be selected from time to time by the Member.

D. Registered Agent and Office. The Company names the New York Secretary of State as its Registered Agent. The Company's initial registered office is 90 State Street, Suite 700, Albany, New York 12207. The Company may change its registered office, its registered agent, or both, upon filing a statement with the New York Secretary of State.

e. No State Law Partnership. No provisions of this Agreement shall be deemed or construed to constitute a partnership (including, without limitation, a limited partnership) or joint venture, or any Member a partner or joint venturer of or with any other Member, for any purposes other than federal and state tax purposes.

**II. Purposes and Powers.**

a. Purpose. JJSL Medical LLC is created for the following business purpose: General purpose.

b. Powers. The Company shall have all of the powers of a limited liability company set forth under New York law.

c. Duration. JJSL Medical LLC's term shall commence upon the filing of a Certificate of Formation and all other such necessary materials with the state of New York. The Company will operate until terminated as outlined in this Agreement unless:

i. The Member votes to dissolve the Company;

ii. No Member of the Company exists, unless the business of the Company is continued in a manner permitted by New York law;

iii. It becomes unlawful for either the Member or the Company to continue in business;

- iv. A judicial decree is entered that dissolves the Company; or
- v. Any other event results in the dissolution of the Company under federal or New York law.

### **III. Member.**

a. The Member. The sole member of JJSL Medical LLC at the time of adoption of this Agreement is Peter J Cantone (the "Member").

b. Initial Contribution. The Member shall make an Initial Contribution to the Company. The Contribution shall consist of:

- i. cash in the amount of:  
\$0.00; and
- ii. Tangible personal property consisting of:  
\_\_\_\_\_ valued at \$0.00.

No Member shall be entitled to interest on their Initial Contribution. Except as expressly provided by this Agreement, or as required by law, no Member shall have any right to demand or receive the return of their Initial Contribution.

c. Limited Liability of the Member. Except as otherwise provided for in this Agreement or otherwise required by New York law, no Member shall be personally liable for any acts, debts, liabilities or obligations of the Company beyond their respective Initial Contribution. The Member shall look solely to the Company property for the return of their Initial Contribution, or value thereof, and if the Company property remaining after payment or discharge of the debts, liabilities or obligations of the Company is insufficient to return such Initial Contributions, or value thereof, no Member shall have any recourse against any other Member, if any other Member exists, except as is expressly provided for by this Agreement.

d. Creation or Substitution of New Members. Any Member may assign in whole or in part its Membership Interest only with the prior written consent of all Members.

i. If a Member transfers all of its Membership Interest, the transferee shall be admitted to the Company as a substitute Member upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement. Such admission shall be deemed effective immediately upon the transfer, and, simultaneously, the transferor Member shall cease to be a Member of the Company and shall have no further rights or obligations under this Agreement.

ii. If a Member transfers only a portion of its Membership Interest, the transferee shall be admitted to the Company as an additional Member upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement.

iii. Whether a substitute Member or an additional Member, absent the written consent of all existing Members of the Company, the transferee shall be a limited Member and possess only the percentage of the monetary rights of the transferor Member that was transferred without any voting power as a Member in the Company.

e. Voting Power of the Members. In the event that the Company has multiple Members simultaneously, the Company's Members shall each have voting power equal to its share of Membership Interest in the Company.

f. Member's Duty to File Notices. The Member shall be responsible for preparation, maintenance, filing and dissemination of all necessary returns, notices, statements, reports, minutes or other information to the Internal Revenue Service, the state of New York, and any other appropriate state or federal authorities or agencies. Notices shall be filed in accordance with Article XII below. The Member may delegate this responsibility to an Officer or a Manager at the Member's sole discretion.

g. Waiver of Partition: Nature of Interest. Except as otherwise expressly provided in this Agreement, to the fullest extent permitted by law, each Member hereby irrevocably waives any right or power that such Member might have to cause the Company or any of its assets to be partitioned, to cause the appointment of a receiver for all or any portion of the assets of the Company, to compel any sale of all or any portion of the assets of the Company pursuant to any applicable law or to file a complaint or to institute any proceeding at law or in equity to cause the dissolution, liquidation, winding up or termination of the Company. No Member shall have any interest in any specific assets of the Company.

h. Fiduciary Duties of the Member. The Member shall have no fiduciary duties whatsoever to the Company or, in the event that the Company has multiple Members, to other Members, unless the Member is a Manager or an Officer of the Company, in which instance they shall owe only the respective fiduciary duties of a Manager or an Officer, as applicable. No Member shall bear any liability to the Company or to other present or former Members by reason of being or having been a Member.

i. *Loyalty*. The duty of loyalty shall be limited to:

1. Not usurping or otherwise appropriating an opportunity of the Company without disclosure to and authorization from the Board of Managers;
2. Refraining from competing against the company in the conduct of the Company's activities without disclosure to and authorization from the Board of Managers;
3. Accounting to the Board of Managers any property, profit or benefit derived by the Member in the conduct or winding up of the Company's affairs, or by the use of the Company's property.

ii. *Care*. The duty of care shall be limited to refraining from engaging in grossly negligent or reckless conduct, willful or intentional misconduct, or a knowing violation of law.

#### **IV. Distributions.**

The Company's fiscal year shall end on the last day of December. Distributions shall be issued, as directed by the Company's Treasurer or Assistant Treasurer, on a monthly basis, based upon the Company's fiscal year. The distribution shall not exceed the remaining net cash of the Company after making appropriate provisions for the Company's ongoing and anticipatable liabilities and expenses. The Member shall receive a percentage of the overall distribution that matches the Member's percentage of Membership Interest in the Company.

#### **V. Tax Treatment Election.**

The Company has not filed with the Internal Revenue Service for treatment as a corporation. Instead, the Company will be taxed as a pass-through organization. The Member may elect for the Company to be treated as a C-Corporation at any time.

#### **VI. Board of Managers.**

a. Creation of a Board of Managers. The Member shall create a board of managers (the "Board") consisting of Managers appointed at the sole discretion of the Member and headed by the Chairman of the Board. The Member may install itself as a Manager and as the Chairman. The Member may determine at any time in its sole and absolute discretion the number of Managers to constitute the Board, subject in all cases to any requirements imposed by New York law. The authorized number of Managers may be increased or decreased by the Member at any time in its sole and absolute discretion, subject to New York law. Each Manager elected, designated or appointed shall hold office until a successor Manager is elected and qualified or until such Manager's earlier death, resignation or removal.

b. Powers and Operation of the Board of Managers. The Board shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the Company's purposes described herein, including all powers, statutory or otherwise.

i. Meetings. The Board may hold meetings, both regular and special, within or outside the state of New York. Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board. Special meetings of the Board may be called by the Chairman on not less than one day's notice to each Manager by telephone, facsimile, mail or any other means of communication.

1. At all meetings of the Board, a majority of the Managers shall constitute a quorum for the transaction of business and, except as otherwise provided in any other provision of this Agreement, the act of a majority of the Managers present at any meeting at which there is a quorum shall be the act of the Board. If a quorum shall not be present at any meeting of the Board, the Managers present at such meeting may adjourn the meeting until a quorum shall be present. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if all Managers consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board.

2. Managers may participate in meetings of the Board by means of telephone conference or similar communications equipment that allows all persons participating in the meeting to hear

each other, and such participation in a meeting shall constitute presence in person at the meeting. If all the participants are participating by telephone conference or similar communications equipment, the meeting shall be deemed to be held at the primary business address of the Company.

c. Compensation of Managers. The Board shall have the authority to fix the compensation of Managers. The Managers may be paid their expenses, if any, of attendance at meetings of the Board, which may be a fixed sum for attendance at each meeting of the Board or a stated salary as Manager. No such payment shall preclude any Manager from serving the Company in any other capacity and receiving compensation therefor.

d. Removal of Managers. Unless otherwise restricted by law, any Manager or the entire Board may be removed, with or without cause, by the Member, and any vacancy caused by any such removal may be filled by action of the Member.

e. Managers as Agents. To the extent of their powers set forth in this Agreement, the Managers are agents of the Company for the purpose of the Company's business, and the actions of the Managers taken in accordance with such powers set forth in this Agreement shall bind the Company. Except as provided in this Agreement, no Manager may bind the Company.

f. No Power to Dissolve the Company. Notwithstanding any other provision of this Agreement to the contrary or any provision of law that otherwise so empowers the Board, none of the Board shall be authorized or empowered, nor shall they permit the Company, without the affirmative vote of the Member, to institute proceedings to have the Company be adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against the Company or file a petition seeking, or consent to, reorganization or relief with respect to the Company under any applicable federal or state law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee (or other similar official) of the Company or a substantial part of its property, or make any assignment for the benefit of creditors of the Company, or admit in writing the Company's inability to pay its debts generally as they become due, or, to the fullest extent permitted by law, take action in furtherance of any such action.

g. Duties of the Board. The Board and the Member shall cause the Company to do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises. The Board also shall cause the Company to:

i. Maintain its own books, records, accounts, financial statements, stationery, invoices, checks and other limited liability company documents and bank accounts separate from any other person;

ii. At all times hold itself out as being a legal entity separate from the Member and any other person and conduct its business in its own name;

iii. File its own tax returns, if any, as may be required under applicable law, and pay any taxes required to be paid under applicable law;

iv. Not commingle its assets with assets of the Member or any other person, and separately identify, maintain and segregate all Company assets;

v. Pay its own liabilities only out of its own funds, except with respect to organizational expenses;

vi. Maintain an arm's length relationship with the Member, and, with respect to all business transactions entered into by the Company with the Member, require that the terms and conditions of such transactions (including the terms relating to the amounts paid thereunder) are the same as would be generally available in comparable business transactions if such transactions were with a person that was not a Member;

vii. Pay the salaries of its own employees, if any, out of its own funds and maintain a sufficient number of employees in light of its contemplated business operations;

viii. Not guarantee or become obligated for the debts of any other person or hold out its credit as being available to satisfy the obligations of others;

ix. Allocate fairly and reasonably any overhead for shared office space;

x. Not pledge its assets for the benefit of any other person or make any loans or advances to any person;

xi. Correct any known misunderstanding regarding its separate identity;

xii. Maintain adequate capital in light of its contemplated business purposes;

xiii. Cause its Board to meet or act pursuant to written consent and keep minutes of such meetings and actions and observe all other New York limited liability company formalities;

xiv. Make any permitted investments directly or through brokers engaged and paid by the Company or its agents;

xv. Not require any obligations or securities of the Member; and

xvi. Observe all other limited liability formalities.

Failure of the Board to comply with any of the foregoing covenants shall not affect the status of the Company as a separate legal entity or the limited liability of the Member.

h. Prohibited Actions of the Board. Notwithstanding any other provision of this Agreement to the contrary or any provision of law that otherwise so empowers the Board, none of the Board on behalf of the Company, shall, without the unanimous approval of the Board, do any of the following:

i. Guarantee any obligation of any person;

ii. Engage, directly or indirectly, in any business or activity other than as required or permitted to be performed pursuant to the Company's Purpose as described in Section II(a) above; or

iii. Incur, create or assume any indebtedness other than as required or permitted to be performed pursuant to the Company's Purpose as described in Section II(a) above.

## **VII. Officers.**

a. Appointment and Titles of Officers. The initial Officers shall be appointed by the Member and shall consist of at least a Chairman, a Secretary and a Treasurer. Any additional or substitute Officers shall be chosen by the Board. The Board may also choose one or more President, Vice-President, Assistant Secretaries and Assistant Treasurers. Any number of offices may be held by the same person. The Board may appoint such other Officers and agents as it shall deem necessary or advisable who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board. The Officers and agents of the Company shall hold office until their successors are chosen and qualified. Any Officer elected or appointed by the Member or the Board may be removed at any time, with or without cause, by the affirmative vote of a majority of the Board. Any vacancy occurring in any office of the Company shall be filled by the Board. Unless the Board decides otherwise, if the title of an Officer is one commonly used for officers of a limited liability company formed under New York law, the assignment of such title shall constitute the delegation to such person of the authorities and duties that are normally associated with that office.

i. *Chairman.* The Chairman shall be the chief executive officer of the Company, shall preside at all meetings of the Board, shall be responsible for the general and active management of the business of the Company and shall see that all orders and resolutions of the Board are carried into effect. The Chairman shall execute all contracts on behalf of the Company, except:

1. Where required or permitted by law or this Agreement to be otherwise signed and executed;
2. Where signing and execution thereof shall be expressly delegated by the Board to some other Officer or agent of the Company.

ii. *President.* In the absence of the Chairman or in the event of the Chairman's inability to act, the President, shall perform the duties of the Chairman, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman. The President, shall perform such other duties and have such other powers as the Board may from time to time prescribe.

iii. *Vice-Presidents.* In the absence of the Chairman and President or in the event of their inability to act, any Vice-Presidents in the order designated by the Board (or, in the absence of any designation, in the order of their election) shall perform the duties of the Chairman, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman. Vice-Presidents, if any, shall perform such other duties and have such other powers as the Board may from time to time prescribe.

iv. *Secretary and Assistant Secretary.* The Secretary shall be responsible for filing legal documents and maintaining records for the Company. The Secretary shall attend all meetings of the Board and record all the proceedings of the meetings of the Company and of the Board in a book to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of the Board, as required in this Agreement or by New York law, and shall perform such other duties as may be prescribed by the Board or the Chairman, under whose supervision the Secretary shall serve. The Secretary shall cause to be prepared such reports and/or information as the Company is required to prepare by applicable law, other than financial reports. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Board (or if there be no such determination, then in order of their election), shall, in the absence of the Secretary or in the event of the Secretary's inability to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board may from time to time prescribe.

v. *Treasurer and Assistant Treasurer.* The Treasurer shall have the custody of the Company funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company according to generally accepted accounting practices, using a fiscal year ending on the last day of the month of December. The Treasurer shall deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated by the Board. The Treasurer shall distribute the Company's profits to the Member. The Treasurer shall disburse the funds of the Company as may be ordered by the Board and shall render to the Chairman and to the Board, at its regular meetings or when the Board so requires, an account of all of the Treasurer's transactions and of the financial condition of the Company. As soon as practicable after the end of each fiscal year of the Company, the Treasurer shall prepare a statement of financial condition as of the last day of the Company's fiscal year, and a statement of income and expenses for the fiscal year then ended, together with supporting schedules. Each of said annual statements shall be prepared on an income tax basis and delivered to the Member forthwith upon its preparation. In addition, the Treasurer shall keep all financial records required to be kept pursuant to New York law. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Board (or if there be no such determination, then in the order of their election), shall, in the absence of the Treasurer or in the event of the Treasurer's inability to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Board may from time to time prescribe.

b. Officers as Agents. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by action of the Board not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business, and the actions of the Officers taken in accordance with such powers shall bind the Company.

### **VIII. Fiduciary Duties of the Board and Officers.**

a. Loyalty and Care. Except to the extent otherwise provided herein, each Manager and Officer shall have a fiduciary duty of loyalty and care similar to that of managers and officers of business corporations organized under the laws of New York.

i. *Loyalty.* The duty of loyalty shall be limited to:

1. Not usurping or otherwise appropriating an opportunity of the Company without disclosure to and authorization from the Board of Managers;

2. Refraining from competing against the company in the conduct of the Company's activities without disclosure to and authorization from the Board of Managers;

3. Accounting to the Board of Managers any property, profit or benefit derived by the Manager or Officer in the conduct or winding up of the Company's affairs, or by the use of the Company's property.

ii. *Care*. The duty of care shall be limited to refraining from engaging in grossly negligent or reckless conduct, willful or intentional misconduct, or a knowing violation of law.

b. Competition with the Company. The Managers and Officers shall refrain from dealing with the Company in the conduct of the Company's business as or on behalf of a party having an interest adverse to the Company unless a majority, by individual vote, of the Board of Managers excluding the interested Manager, consents thereto. The Managers and Officers shall refrain from competing with the Company in the conduct of the Company's business unless a majority, by individual vote, of the Board of Managers excluding any interested Manager, consents thereto.

c. Duties Only to the Company. The Managers' and Officers' fiduciary duties of loyalty and care are to the Company and not to the other Managers or other Officers. The Managers and Officers shall owe fiduciary duties of disclosure, good faith and fair dealing to the Company and to the other Managers, but shall owe no such duties to Officers unless the Officer is a Manager. A Manager or Officer who so performs their duties shall not have any liability by reason of being or having been a Manager or an Officer.

d. Reliance on Reports. In discharging the Manager's or Officer's duties, a Manager or Officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by any of the following:

i. One or more Members, Managers, or employees of the Company whom the Manager reasonably believes to be reliable and competent in the matters presented.

ii. Legal counsel, public accountants, or other persons as to matters the Manager or Officer reasonably believes are within the persons' professional or expert competence.

iii. A committee of Members or Managers of which the affected Manager or Officer is not a participant, if the Manager or Officer reasonably believes the committee merits confidence.

## **IX. Dissolution.**

a. Limits on Dissolution. The Company shall have a perpetual existence, and shall be dissolved, and its affairs shall be wound up only upon the provisions established in Section II(c) above.

Notwithstanding any other provision of this Agreement, the Bankruptcy of any Member shall not cause such Member to cease to be a Member of the Company and upon the occurrence of such an event, the business of the Company shall continue without dissolution.

Each Member waives any right that it may have to agree in writing to dissolve the Company upon the Bankruptcy of any Member or the occurrence of any event that causes any Member to cease to be a member of the Company.

b. Winding Up. Upon the occurrence of any event specified in Section II(c), the Company shall continue solely for the purpose of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors. The Member, or in the event of multiple Members one or more Members selected by the remaining Members, shall be responsible for overseeing the winding up and liquidation of Company, shall take full account of the liabilities of Company and its assets, shall either cause its assets to be distributed as provided under this Agreement or sold, and if sold as promptly as is consistent with obtaining the fair market value thereof, shall cause the proceeds therefrom, to the extent sufficient therefor, to be applied and distributed as provided under this Agreement.

c. Distributions in Kind. Any non-cash asset distributed to one or more Members in liquidation of the Company shall first be valued at its fair market value (net of any liability secured by such asset that such Member assumes or takes subject to) to determine the profits or losses that would have resulted if such asset were sold for such value, such profit or loss shall then be allocated as provided under this Agreement. The fair market value of such asset shall be determined by the Members or, if any Member objects, by an independent appraiser (any such appraiser must be recognized as an expert in valuing the type of asset involved) approved by the Members.

d. Termination. The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Member in the manner provided for under this Agreement and (ii) the Company's registration with the state of New York shall have been canceled in the manner required by New York law.

e. Accounting. Within a reasonable time after complete liquidation, the Company Treasurer shall furnish the Member with a statement which shall set forth the assets and liabilities of the Company as at the date of dissolution and the proceeds and expenses of the disposition thereof.

f. Limitations on Payments Made in Dissolution. Except as otherwise specifically provided in this Agreement, each Member shall only be entitled to look solely to the assets of Company for the return of its Initial Contribution and shall have no recourse for its Initial Contribution and/or share of profits (upon dissolution or otherwise) against any other Member, if any other such Member exists.

g. Notice to New York Authorities. Upon the winding up of the Company, the Member with the highest percentage of Membership Interest in the Company shall be responsible for the filing of all appropriate notices of dissolution with New York and any other appropriate state or federal authorities or agencies as may be required by law.

## **X. Exculpation and Indemnification.**

a. No Member, Manager, Officer, employee or agent of the Company and no employee, agent or Affiliate of a Member (collectively, the "Covered Persons") shall be liable to the Company or any other person who has an interest in or claim against the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's gross negligence or willful misconduct.

b. To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement. Expenses, including legal fees, incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall be paid by the Company. The Covered Person shall be liable to repay such amount if it is determined that the Covered Person is not entitled to be indemnified as authorized in this Agreement. No Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence or willful misconduct with respect to such acts or omissions. Any indemnity under this Agreement shall be provided out of and to the extent of Company assets only.

c. A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any person as to matters the Covered Person reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

d. To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of the Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member to replace such other duties and liabilities of such Covered Person.

e. The foregoing provisions of this Article X shall survive any termination of this Agreement.

## **XI. Insurance.**

The Company shall have the power to purchase and maintain insurance, including insurance on behalf of any Covered Person against any liability asserted against such person and incurred by such Covered Person in any such capacity, or arising out of such Covered Person's status as an

agent of the Company, whether or not the Company would have the power to indemnify such person against such liability under the provisions of Article X or under applicable law.

## **XII. General Provisions.**

a. Notices. All notices, offers or other communications required or permitted to be given pursuant to this Agreement shall be in writing and may be personally served or sent by United States mail and shall be deemed to have been given when delivered in person or three (3) business days after deposit in United States mail, registered or certified, postage prepaid, and properly addressed, by or to the appropriate party.

b. Number of Days. In computing the number of days (other than business days) for purposes of this Agreement, all days shall be counted, including Saturdays, Sundays and holidays; provided, however, that if the final day of any time period falls on a Saturday, Sunday or holiday on which national banks are or may elect to be closed, then the final day shall be deemed to be the next day which is not a Saturday, Sunday or such holiday.

c. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which shall together constitute one and the same instrument.

d. Severability. The provisions of this Agreement are independent of and separable from each other, and no provision shall be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part.

e. Headings. The Article and Section headings in this Agreement are for convenience and they form no part of this Agreement and shall not affect its interpretation.

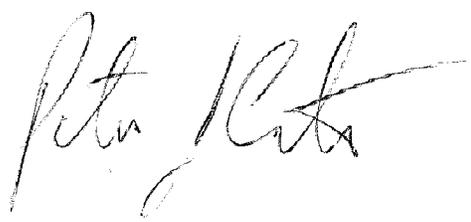
f. Controlling Law. This Agreement shall be governed by and construed in all respects in accordance with the laws of the state of New York (without regard to conflicts of law principles thereof).

g. Application of New York Law. Any matter not specifically covered by a provision of this Agreement shall be governed by the applicable provisions of New York law.

h. Amendment. This Agreement may be amended only by written consent of the Board and the Member. Upon obtaining the approval of any such amendment, supplement or restatement as to the Certificate, the Company shall cause a Certificate of Amendment or Amended and Restated Certificate to be prepared, executed and filed in accordance with New York law.

i. Entire Agreement. This Agreement contains the entire understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written, except as herein contained.

This Single Member LLC Operating Agreement is executed and agreed to by:

A handwritten signature in black ink, appearing to read "Peter J. Cantone". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Peter J Cantone

Peter J Cantone

pcantone@sprayfoamnation.com

May 19, 2015 at 09:06 am

Recorded at IP 173.166.33.137



**ATTACHMENT A**

## **ATTACHMENT A**

### **Identification Of All Real Property, Buildings, And Facilities That Will Be Used In Manufacturing And Dispensing Activities:**

1. **Manufacturing Facility:** 42 Windsor Place  
Central Islip, NY 11722

2. **Dispensing Facilities:**

Dispensary 1: 100 Garden City Plaza, Suite 101  
Garden City, NY 11530

Dispensary 2: 129 Court Street  
White Plain, NY 10601

Dispensary 3: 30 South Avenue  
Poughkeepsie, NY 12601

Dispensary 4: 824 Loudon Road  
Latham, NY 12110

Included in this section, or attached to the application binder, are the floor plans and site plans for each of the five facilities. MEP plans for the manufacturing site are included with the architectural layout.



# CULTIVATION FACILITY

# 42 WINDSOR PLACE

CENTRAL ISLIP, N.Y.

LIST OF DRAWINGS:

- T1 COVER SHEET
- AS/1 ARCHITECTURAL SITE PLAN
- D-1 PARTIAL DEMOLITION 1 / CULTIVATION FACILITY
- A-100 PROPOSED CULTIVATION FACILITY
- A-200 PROPOSED EXTERIOR ELEVATIONS
- A-300 BUILDING SECTIONS AND DETAILS
- A-600 EGRESS PAGE AND CODE REVIEW



LOCATION MAP

- GENERAL NOTES**
1. Intent of documents is to show new construction only. Provide all required demolition and remove only those existing items as required to accomplish the new construction as shown. Retain or relocate those items not shown removed or where called for to be relocated.
  2. Existing drawings shall not be deemed to show all existing conditions and shall not substitute for field visits, they are only to aid in the understanding of the new work.
  3. Verify all field conditions prior to execution of the work and notify the Architect if there are discrepancies or unsatisfactory existing conditions.
  4. Provide all temporary bracing, shoring, forms, etc. Provide all required temporary enclosures to protect the new and existing construction materials and equipment from the weather and to protect the unaltered area from the dust and dirt of construction.
  5. The contractor shall repair at his own expense any damages occurring from the new work due to exposure to weather or his manners or methods of construction.
  6. For all guarantees and warranties see the specifications.
  7. Provide all required cutting, fitting, and patching for the mechanical and electrical trades.
  8. Provide all miscellaneous rough and finish carpentry, headers, lintels, blocking, furring, trimming etc. as might be required.
  9. All dimensions shown are to rough surfaces not finished, unless otherwise noted.
  10. Provide all required plumbing, vent and electrical connections for all appliances.
  11. All work shall conform to local, state and national codes.

**GP** ARCHITECTURAL  
**GP CONSULTING LLC**  
 62 PLATT LN MILFORD CT 06460  
 (203) 306-8780 (203) 763-9098

### 42 WINDSOR PLACE

CENTRAL ISLIP, N.Y.

Drawing Title: COVER SHEET		Scale: NA
Project No.: 2015/05	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: T1

NOTE: DO NOT SCALE DRAWINGS

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F



GP CONSULTING LLC  
62 PLATT LN MILFORD CT 06460  
(203) 306-8780 (203) 763-9098

42 WINDSOR PLACE  
CENTRAL ISLIP N.Y.

Drawing Title: ARCHITECTURAL SITE PLAN		Scale: 1/20
Project No.: 2015/05	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: AS/1

NOTE: DO NOT SCALE DRAWINGS

**GENERAL DEMOLITION NOTES:**

- G1 NOTIFY "CALL BEFORE YOU DIG" (1-800-922-4455 IN CT, 1-888-258-0808 NATL) BEFORE EXCAVATING OR DOING EXPLORATORY WORK IN THE GROUND AND HAVE THE AREA OF WORK ON SITE INSPECTED BEFORE COMMENCING ANY WORK.
- G2 PROTECT PROJECT FROM ENTRY BY UNAUTHORIZED PERSONS.
- G3 SHORE ALL SELECTIVE DEMOLITION AREAS AS REQUIRED TO PREVENT FAILURE.
- G4 CAP ALL UTILITIES AS REQUIRED AND AUTHORIZED BY THE PROVIDER AND TO CODE.
- G5 STORE AND DISPOSE OF ALL DEMOLITION MATERIALS IN A LEGAL MANNER IN ACCORDANCE WITH ALL APPLICABLE ORDINANCES.
- G6 NOTIFY AND COORDINATE EGRESS TO THE WORK AREA WITH SECURITY SERVICE IF SAME EXISTS.
- G7 PROTECT EXISTING STRUCTURES FROM EXPOSURE TO ELEMENTS DURING AND AFTER DEMOLITION.
- G8 ALL EXISTING AREAS TO REMAIN TO BE PATCHED AND REPAIRED, AS REQUIRED, TO MEET AND MATCH ADJACENT.
- G9 NEW WOOD FLOORS TO MEET AND MATCH ADJACENT EXISTING FLOOR FINISH FLUSH.
- G10 ELECTRICAL: REMOVE EXISTING ELECTRICAL ITEMS NOT INTENDED FOR REUSE, SEE ELECTRICAL PLANS FOR SCOPE OF ELECTRICAL WORK. ALL EXISTING POWER TO REMAIN SHALL BE RECONNECTED TO BRANCH CIRCUITS.
- G11 HVAC: SEE MECHANICAL PLANS FOR HEATING, AIR CONDITIONING AND PLUMBING REQUIREMENTS.
- G12 EXTERIOR: REMOVE OLD POWER, LIGHTING, HARDWARE, GUTTERS, LEADERS, ETC. PATCH AND REPAIR REMAINING SURFACES TO SOUND CONDITION, AS REQUIRED.

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**42 WINDSOR PLACE**  
 CENTRAL ISLIP N.Y.

E

<b>Drawing Title:</b> PARTIAL DEMOLITION		<b>Scale:</b> 1/16"
<b>Project No.:</b> 2015/05	<b>Drawn By:</b> GP	<b>Date:</b> 06/01/15
<b>Issued:</b>		<b>Drawing No:</b> D1

F

NOTE: DO NOT SCALE DRAWINGS

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62 PLATT LN MILFORD CT 06460  
(203) 306-8780 (203) 763-9098

42 WINDSOR PLACE  
CENTRAL ISLIP N.Y.

Drawing Title: PROPOSED CULTIVATION FACILITY		Scale: 1/16
Project No.: 2015/05	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: A-100

NOTE: DO NOT SCALE DRAWINGS

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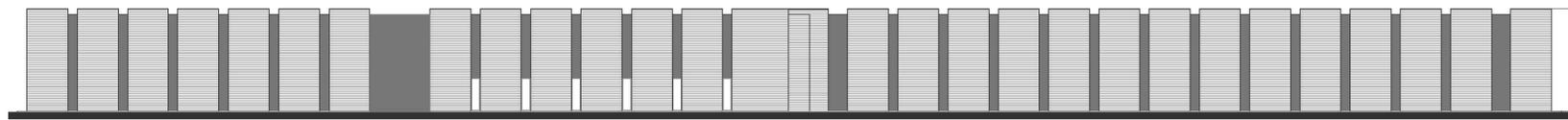
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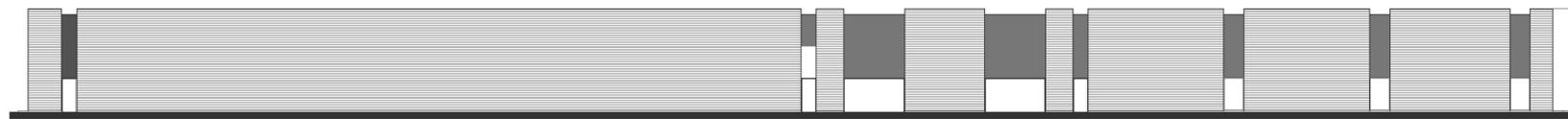
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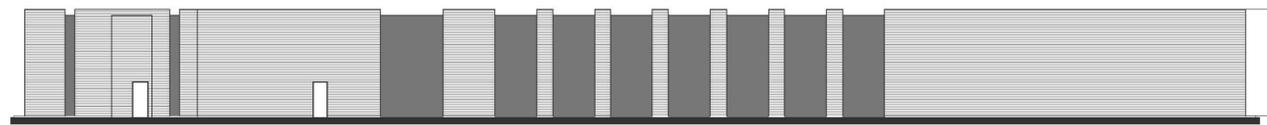
6



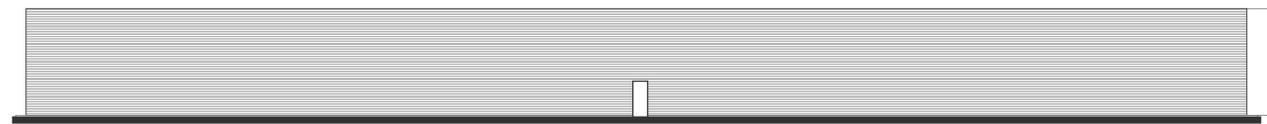
A 200 - PROPOSED WEST EXTERIOR ELEVATION



A 200 - PROPOSED EAST EXTERIOR ELEVATION



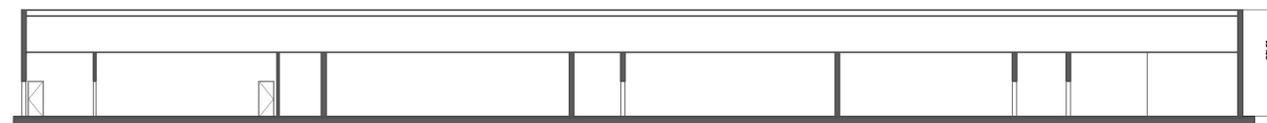
A 200 - PROPOSED SOUTH EXTERIOR ELEVATION



A 200 - PROPOSED NORTH EXTERIOR ELEVATION

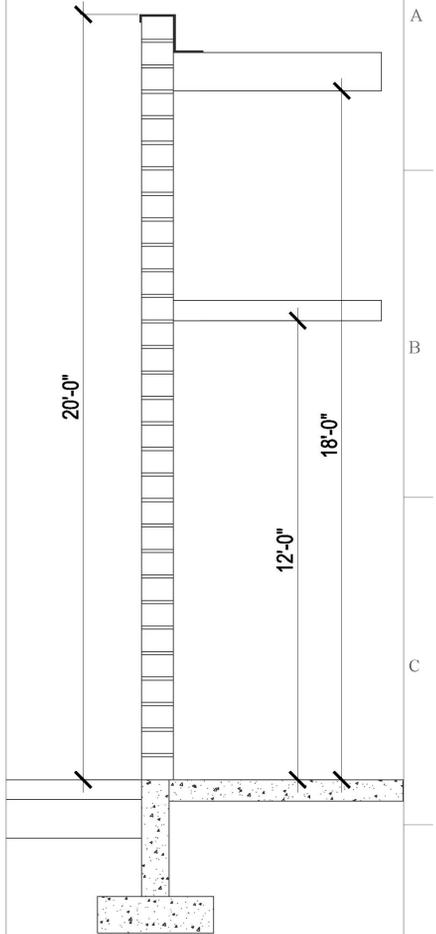


C1-300 - BUILDING SECCIONS



C2-300 - BUILDING SECCIONS

INTERIOR SECCION



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42 WINDSOR PLACE  
CENTRAL ISLIP N.Y.

Drawing Title: PROPOSED EXTERIOR ELEVATIONS BUILDING SECCIONS		Scale: 1/16"
Project No.: 2015/05	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: A-200/A-300

NOTE: DO NOT SCALE DRAWINGS

CONSTRUCTION AND CODE DATA

2010 BUILDING CODE OF NYS

2010 FIRE CODE OF NYS

2010 PLUMBING CODE OF NYS

2010 FUEL GAS CODE OF NYS

2010 ENERGY CONSERVATION  
CONSTRUCTION CODE OF NYS

NEC NATIONAL ELECTRIC CODE

NFPA 101-06 LIFE SAFETY CODE

ICC / ANSI A117.103 ACCESSIBLE  
USABLE BUILDING AND FAC.

BUILDING USE GROUP: F1  
CONSTRUCTION TYPE: IIB

FIRE SPRINKLER: FULLY

AREA OF BUILDING: 64,400 S.F.

OCCUPANCY LOAD : 110 MAX

MAX. TRAVEL PATH ≈ 100 FT

C

D



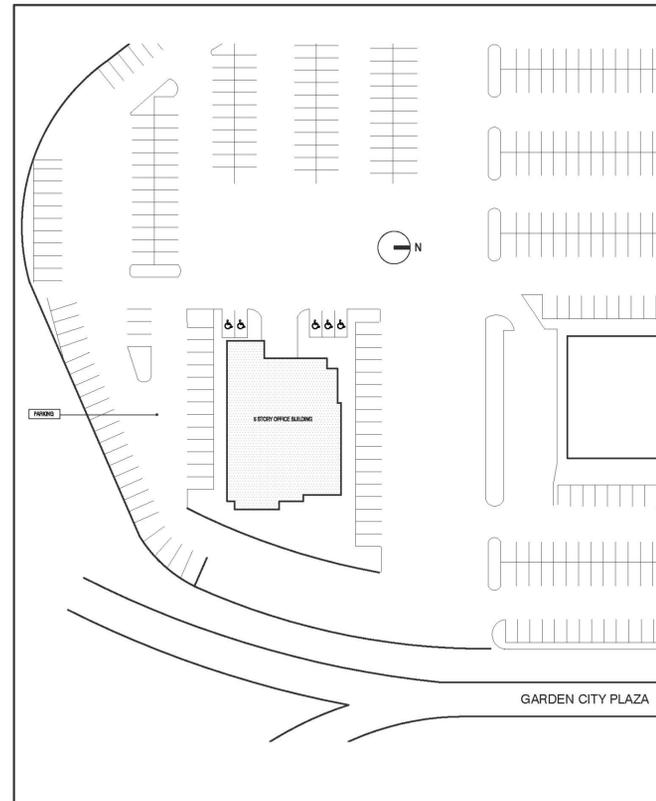
**42 WINDSOR PLACE**  
CENTRAL ISLIP N.Y.

E

Drawing Title: EGRESS PLAN AND CODE REVIEW PAGE		Scale: 1/16"
Project No.: 2015/05	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: A-600

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NOTE: DO NOT SCALE DRAWINGS



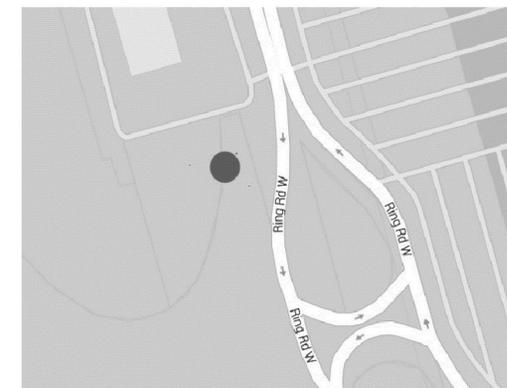
## DISPENSARY

# 100 GARDEN CITY PLAZA

GARDEN CITY, NY

### LIST OF DRAWINGS:

- T1 COVER SHEET
- S-1 ARCHITECTURAL SITE PLAN
- A-100 FIRST FLOOR
- A-600 EGRESS AND CODE REVIEW



#### GENERAL NOTES

1. Intent of documents is to show new construction only. Provide all required demolition and remove only those existing items as required to accomplish the new construction as shown. Retain or relocate those items not shown removed or where called for to be relocated.
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5. The contractor shall repair at his own expense any damages occurring from the new work due to exposure to weather or his manners or methods of construction.
6. For all guarantees and warranties see the specifications.
7. Provide all required cutting, fitting, and patching for the mechanical and electrical trades.
8. Provide all miscellaneous rough and finish carpentry, headers, lintels, blocking, furring, trimming etc. as might be required.
9. All dimensions shown are to rough surfaces not finished, unless otherwise noted.
10. Provide all required plumbing, vent and electrical connections for all appliances.
11. All work shall conform to local, state and national codes.



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### 100 GARDEN CITY PLAZA GARDEN CITY - NY

Drawing Title: COVER SHEET		Scale: NA
Project No.: 2015-09	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: T1

NOTE: DO NOT SCALE DRAWINGS

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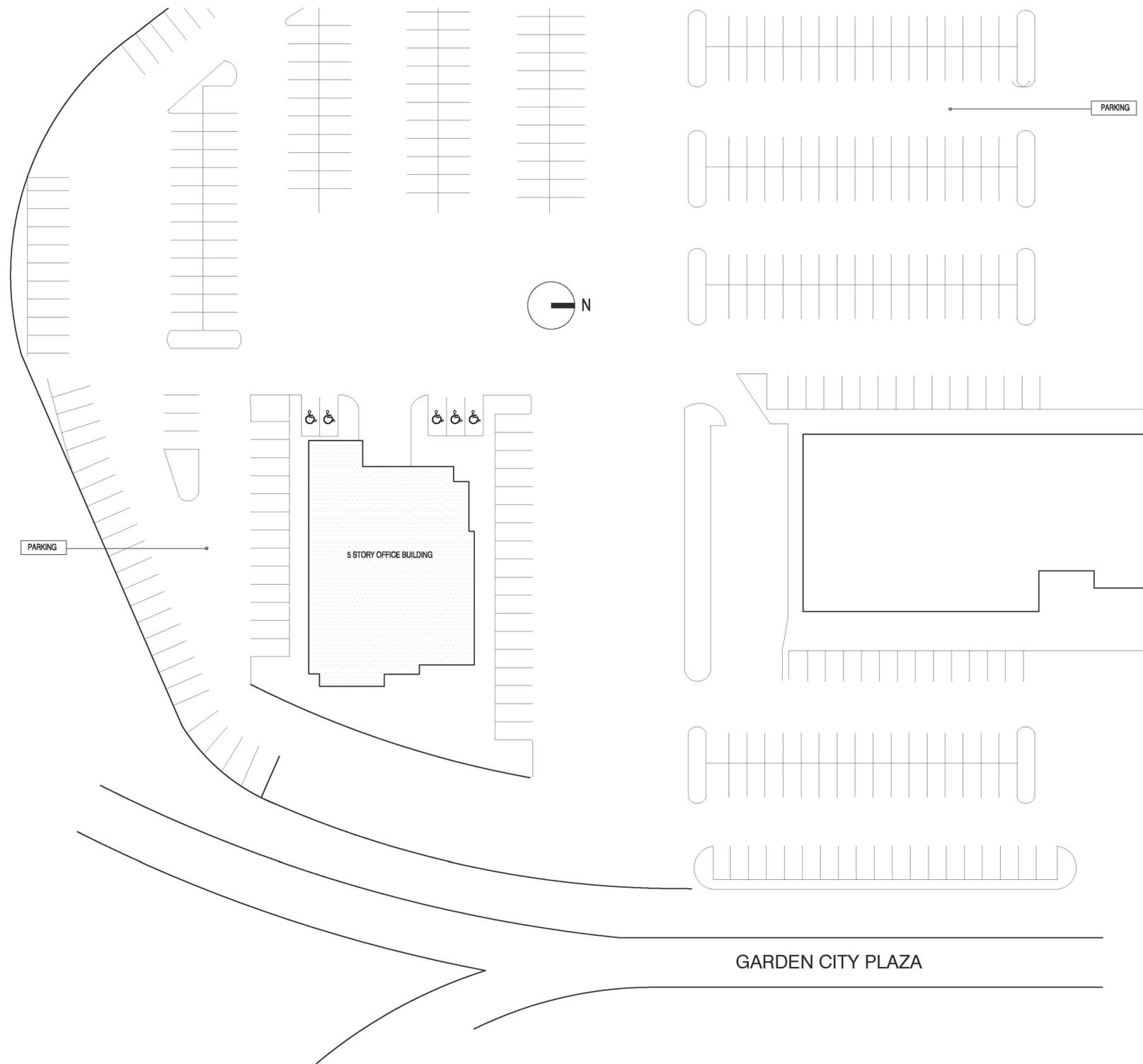
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**100 GARDEN CITY PLAZA  
 GARDEN CITY - NY**

Drawing Title: SITE PLAN		Scale: 1/20
Project No.: 2015-09	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No.: <b>S-1</b>

NOTE: DO NOT SCALE DRAWINGS

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**100 GARDEN CITY PLAZA  
 GARDEN CITY - NY**

Drawing Title: RST FLOOR		Scale: 1/4"
Object No.:	Drawn By:	Date:
2015-09	GP	06/01/15
Issued:		Drawing No: <b>A-100</b>

NOTE: DO NOT SCALE DRAWINGS

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Redacted pursuant to N.Y. Public Officers Law, Art. 6

**CONSTRUCTION AND CODE DATA**

2010 BUILDING CODE OF NYS  
 2010 FIRE CODE OF NYS  
 2010 PLUMBING CODE OF NYS  
 2010 FUEL GAS CODE OF NYS  
 2010 ENERGY CONSERVATION  
 CONSTRUCTION CODE OF NYS  
 NEC NATIONAL ELECTRIC CODE  
 NFPA 101-06 LIFE SAFETY CODE  
 ICC / ANSI A117.103 ACCESSIBLE  
 USABLE BUILDING AND FACILITIES

BUILDING USE GROUP: B  
 CONSTRUCTION TYPE: IIB  
 FIRE SPRINKLER: NONE  
 AREA OF BUILDING: 2,244 S.F.

OCCUPANCY LOAD FOR B USE BUILDING: 100 GROSS SF PER PERSON  
 TOTAL AREA / 100 = MAX OCCUPANTS  
 2244,98 / 100 = 22 MAX OCCUPANTS

MAX. TRAVEL PATH BY CODE = 75 FT

A

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**100 GARDEN CITY PLAZA  
 GARDEN CITY - NY**

<b>Drawing Title:</b> EGRESS PLAN AND CODE		<b>Scale:</b> 1/4"
<b>Project No.:</b> 2015-09	<b>Drawn By:</b> GP	<b>Date:</b> 06/01/15
<b>Issued:</b>		<b>Drawing No:</b> <b>A-600</b>

NOTE: DO NOT SCALE DRAWINGS



# DISPENSARY 129 COURT STREET

WHITE PLAINS, NY

LIST OF DRAWINGS:

- T1 COVER SHEET
- S-1 ARCHITECTURAL SITE PLAN
- A-100 FIRST FLOOR PLAN
- A-101 SECOND FLOOR PLAN
- A-600 EGRESS PLAN AND CODE



LOCATION MAP

**GENERAL NOTES**

1. Intent of documents is to show new construction only. Provide all required demolition and remove only those existing items as required to accomplish the new construction as shown. Retain or relocate those items not shown removed or where called for to be relocated.
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10. Provide all required plumbing, vent and electrical connections for all appliances.
11. All work shall conform to local, state and national codes.

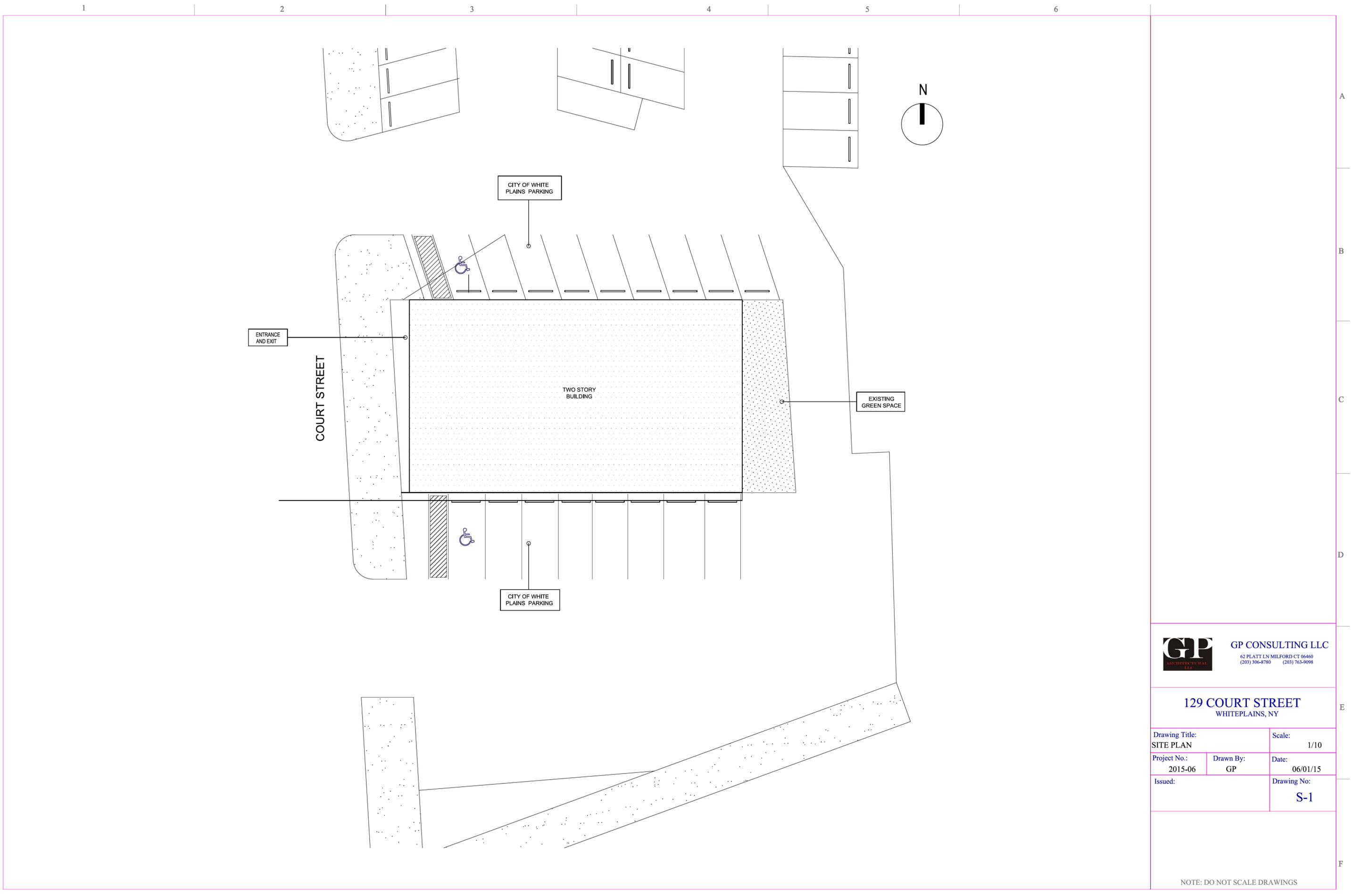
**GP** **GP CONSULTING LLC**  
 62 PLATT LN MILFORD CT 06460  
 (203) 306-8780 (203) 763-9098

**129 COURT STREET**  
WHITEPLAINS, NY

Drawing Title: COVER PAGE		Scale: NA
Project No.: 2015-06	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: T1

NOTE: DO NOT SCALE DRAWINGS

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**129 COURT STREET**  
 WHITEPLAINS, NY

Drawing Title: SITE PLAN		Scale: 1/10
Project No.: 2015-06	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: <b>S-1</b>

NOTE: DO NOT SCALE DRAWINGS

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129 COURT STREET  
WHITEPLAINS, NY

Drawing Title: FIRST FLOOR PLAN		Scale: 1/4"
Object No.: 2015-06	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: <b>A-100</b>

E

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NOTE: DO NOT SCALE DRAWINGS

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129 COURT STREET  
WHITEPLAINS, NY

Drawing Title: SECOND FLOOR PLAN		Scale: 1/4"
Project No.: 2015-06	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: A-100

NOTE: DO NOT SCALE DRAWINGS

CONSTRUCTION AND CODE DATA

2010 BUILDING CODE OF NYS  
 2010 FIRE CODE OF NYS  
 2010 PLUMBING CODE OF NYS  
 2010 FUEL GAS CODE OF NYS  
 2010 ENERGY CONSERVATION  
 CONSTRUCTION CODE OF NYS  
 NEC NATIONAL ELECTRIC CODE  
 NFPA 101-06 LIFE SAFETY CODE  
 ICC / ANSI A117.103 ACCESSIBLE  
 USABLE BUILDING AND FACILITIES  
 BUILDING USE : B  
 CONSTRUCTION TYPE: IIB  
 FIRE SPRINKLER: NONE  
 AREA OF THE BUILDING: 3892 SF

A

B

OCCUPANCY LOAD FOR B USE BUILDING: 100  
 GROSS SF PER PERSON  
 TOTAL AREA / 100 = MAX OCCUPANTS  
 3893 / 100 = 39 MAX OCCUPANTS

MAX TRAVEL PATH BY CODE = 75 FT

C

D



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**129 COURT STREET**  
 WHITEPLAINS, NY

E

<b>Drawing Title:</b> EGRESS PLAN AND CODE		<b>Scale:</b> 1/4"
<b>Project No.:</b> 2015-06	<b>Drawn By:</b> GP	<b>Date:</b> 06/01/15
<b>Issued:</b>		<b>Drawing No:</b> A-100

F

NOTE: DO NOT SCALE DRAWINGS



# DISPENSARY

# 248 SOUTH AVE

## POUGHKEEPSIE - NY

LIST OF DRAWINGS:

- T1 COVER SHEET
- S/1 ARCHITECTURAL SITE PLAN
- A-100 PROPOSED PRODUCTION
- A-600 EGRESS PLAN AND CODE



- **LOCATION MAP**

- GENERAL NOTES**
1. Intent of documents is to show new construction only. Provide all required demolition and remove only those existing items as required to accomplish the new construction as shown. Retain or relocate those items not shown removed or where called for to be relocated.
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  8. Provide all miscellaneous rough and finish carpentry, headers, lintels, blocking, furring, trimming etc. as might be required.
  9. All dimensions shown are to rough surfaces not finished, unless otherwise noted.
  10. Provide all required plumbing, vent and electrical connections for all appliances.
  11. All work shall conform to local, state and national codes.

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**248 SOUTH AVE**  
POUGHKEEPSIE - NY

Drawing Title: <b>COVER SHEET</b>		Scale: NA
Project No.:	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: <b>T1</b>

NOTE: DO NOT SCALE DRAWINGS

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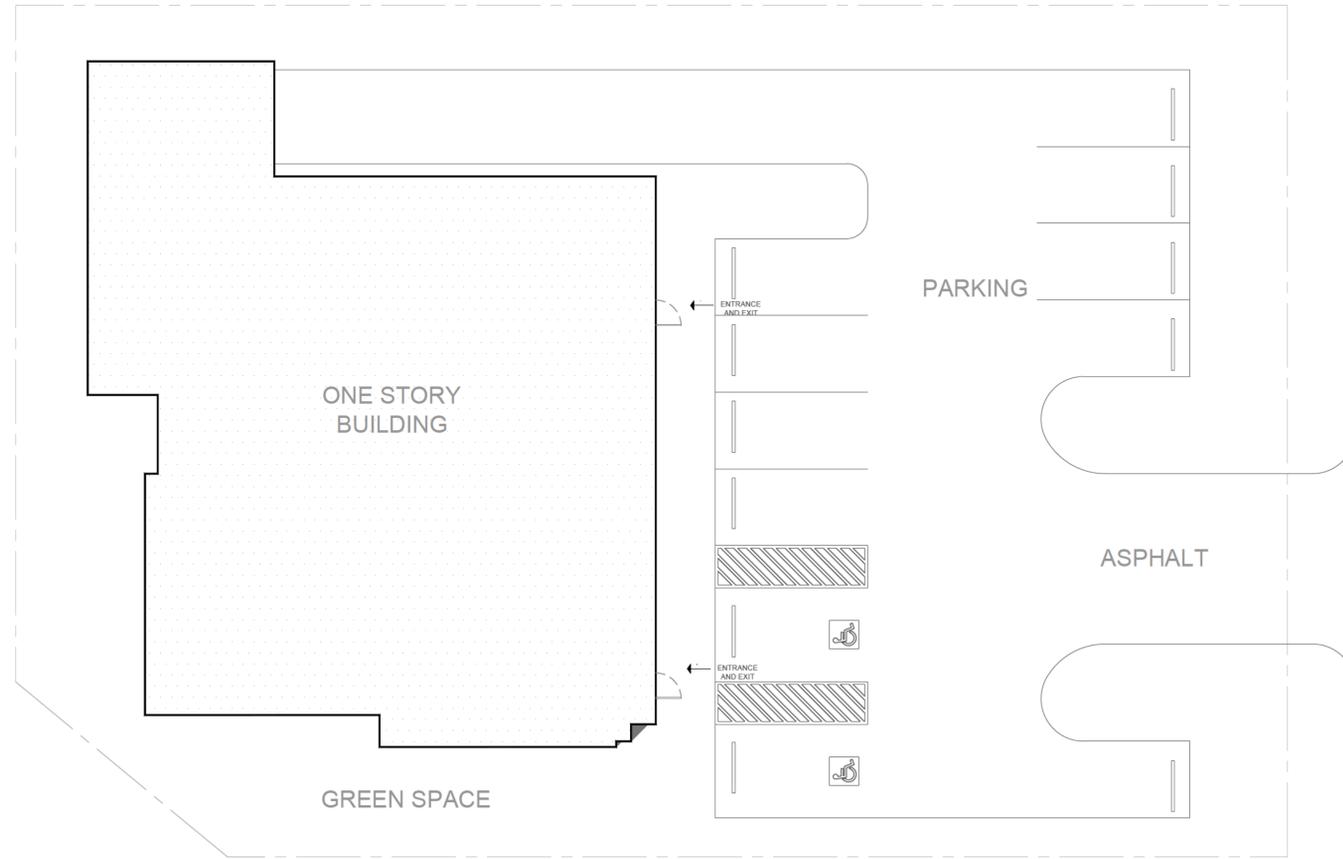
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248 SOUTH AVE  
 POUGHKEEPSIE - NY

Drawing Title: <b>SITE PLAN</b>		Scale: 1/10
Project No.:	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: AS/1

NOTE: DO NOT SCALE DRAWINGS

A

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248 SOUTH AVE  
POUGHKEEPSIE - NY

Drawing Title: <b>FIRST FLOOR</b>		Scale: 1/4"
Project No.:	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: <b>A-100</b>

NOTE: DO NOT SCALE DRAWINGS

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Redacted pursuant to N.Y. Public Officers Law, Art. 6

**CONSTRUCTION AND CODE DATA**

2010 BUILDING CODE OF NYS  
2010 FIRE CODE OF NYS  
2010 PLUMBING CODE OF NYS  
2010 FUEL GAS CODE OF NYS  
2010 ENERGY CONSERVATION  
CONSTRUCTION CODE OF NYS  
NEC NATIONAL ELECTRIC CODE  
NFPA 101-06 LIFE SAFETY CODE  
ICC / ANSI A117.103 ACCESSIBLE  
USABLE BUILDING AND FACILITIES

BUILDING USE GROUP: B  
CONSTRUCTION TYPE: IIB  
FIRE SPRINKLER: NONE  
AREA OF BUILDING: 4,155 S.F.

OCCUPANCY LOAD FOR B USE BUILDING: 100 MAX

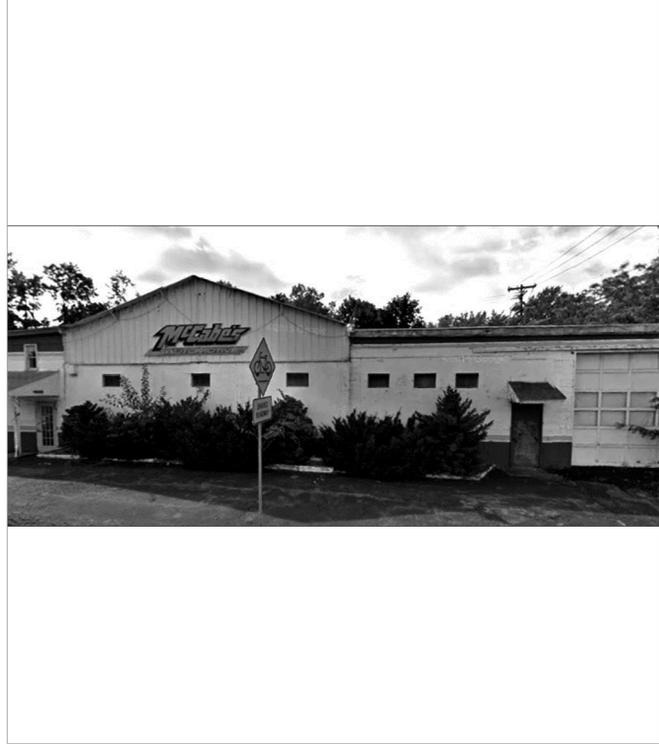
MAX. TRAVEL PATH BY CODE = 75 FT

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**248 SOUTH AVE**  
POUGHKEEPSIE - NY

Drawing Title: <b>EGRESS PLAN</b>		Scale: 1/4"
Project No.:	Drawn By: <b>GP</b>	Date: 06/01/15
Issued:	Drawing No: <b>D1</b>	

NOTE: DO NOT SCALE DRAWINGS



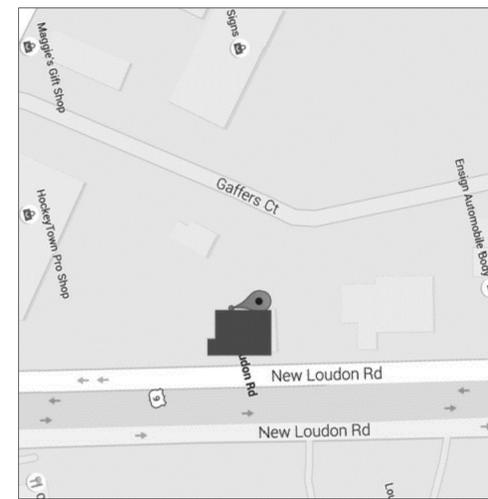
# DISPENSARY

# 824 LOUDON RD

LATHAM.NY.

LIST OF DRAWINGS:

- T1 COVER SHEET
- S-1 ARCHITECTURAL SITE PLAN
- A-100 FIRST FLOOR PLAN
- A-600 EGRESS PLAN AND CODE



LOCATION MAP

- GENERAL NOTES**
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**GP** ARCHITECTURAL, LLC  
 GP CONSULTING LLC  
 62 PLATT LN MILFORD CT 06460  
 (203) 306-8780 (203) 763-9098

## 824 LOUDON RD

LATHAM, NY.

Drawing Title: COVER SHEET		Scale: NA
Project No.: 2015/07	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: T1

NOTE: DO NOT SCALE DRAWINGS

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GAFFERS CT

ACCESS ROUTE

EXISTING BLACKTOP

EXISTING GREEN SPACE

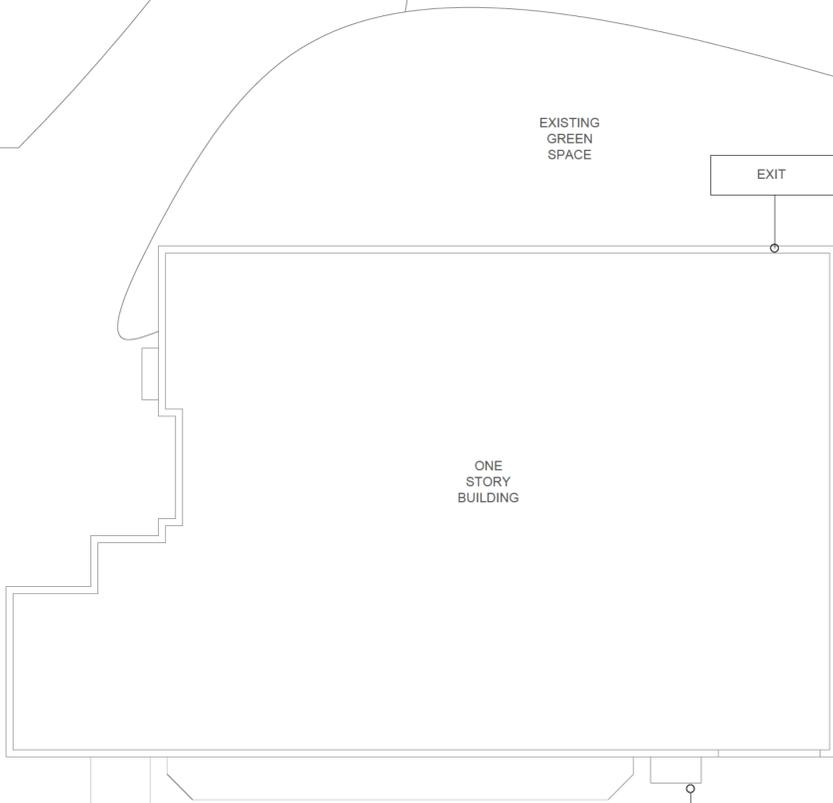
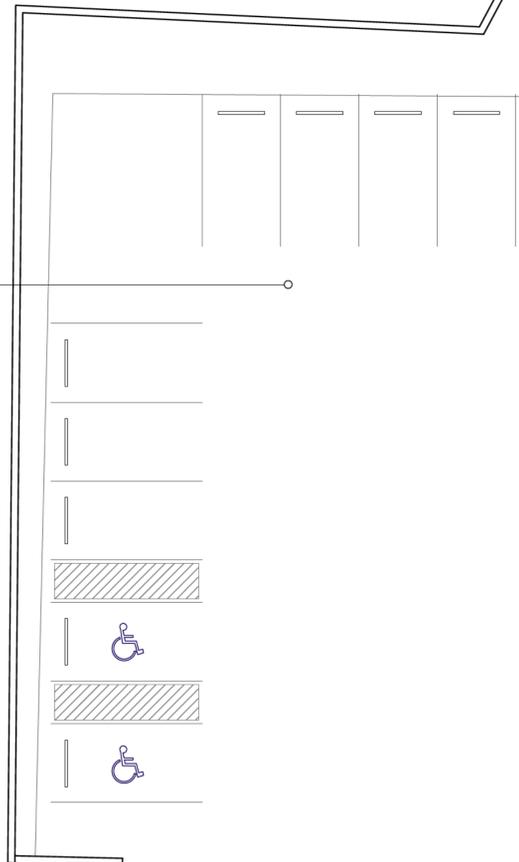
GRAVEL SURFACE



EXISTING GREEN SPACE

EXIT

PUBLIC PARKING SPACE



ENTRANCE

ENTRANCE

ACCESS ROUTE

NEW LOUDON RD

ACCESS



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824 LOUDON RD  
LATHAM, NY.

Drawing Title: SITE PLAN		Scale: 1/10'
Project No.: 2015/07	Drawn By: GP/TP	Date: 06/01/15
Issued:		Drawing No: S-1

NOTE: DO NOT SCALE DRAWINGS

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824 LOUDON RD  
LATHAM, NY.

Drawing Title: FIRST FLOOR		Scale: 1/4"
Project No.:	Drawn By:	Date:
2015/07	GP/TP	06/01/15
Issued:		Drawing No: <b>A-100</b>

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NOTE: DO NOT SCALE DRAWINGS

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Redacted pursuant to N.Y. Public Officers Law, Art. 6

**CONSTRUCTION AND CODE DATA**

2010 BUILDING CODE OF NYS  
 2010 FIRE CODE OF NYS  
 2010 PLUMBING CODE OF NYS  
 2010 FUEL GAS CODE OF NYS  
 2010 ENERGY CONSERVATION  
 CONSTRUCTION CODE OF NYS  
 NEC NATIONAL ELECTRIC CODE  
 NFPA 101-06 LIFE SAFETY CODE  
 ICC / ANSI A117.103 ACCESSIBLE  
 USABLE BUILDING AND FACILITIES

BUILDING USE GROUP: B  
 CONSTRUCTION TYPE: IB  
 FIRE SPRINKLER: NONE  
 AREA OF BUILDING: 4,920S.F.

OCCUPANCY LOAD FOR B USE BUILDING: 100 MAX

MAX. TRAVEL PATH BY CODE = 75 FT

A

B

C

D



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**824 LOUDON RD**  
 LATHAM, NY.

E

Drawing Title: GROSS PLAN AND CODE		Scale: 1/4"
Project No.: 2015/07	Drawn By: GP	Date: 06/01/15
Issued:		Drawing No: <b>A-600</b>

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NOTE: DO NOT SCALE DRAWINGS



**ATTACHMENT B**

# **ATTACHMENT B**

## **Equipment List**

**(Equipment list does not include: security equipment (detailed in Section H Security Plan); furniture and fixtures (such as sinks, toilets, showers, first aid stations, desk lamps and common area lighting))**

## **Manufacturing Facility**

### Office (and Conference Room) Equipment

- Desktop computers
- Wireless router
- Tablet computers
- Combination copier / printer / scanner / fax machine
- Telephone (landline)
- Shredder
- Television
- Conference phone
- Laminator
- Inventory Tracking System and Related Materials
- Miscellaneous Office Equipment
- Broadband Radios
- Fire Extinguishers

### Break Room Equipment

- Combination refrigerator / freezer
- Coffeemaker
- Microwave
- Vending machines
- Toaster or toaster oven
- Water cooler
- Dishwasher

### Locker Room Equipment

- Hands free hand dryers
- Automated hand sanitizer dispensers
- Wall mounted shoe cover dispensers

- Hair dryers
- Air Shower walk thru
- Color-coded coveralls

#### Laundry Room Equipment

- Commercial Clothes washer
- Commercial Clothing dryer
- Clothing Bag Sealer

#### Loading Dock Equipment

- Forklift
- Forklift battery charger
- Pallet jack
- Automatic bay door seal
- Conveyor belt
- CLR Pass-thru Air Shower
- Commercial Steam Cleaner

#### Cultivation Equipment

- 1000w GAVITA HPS
- 20 tonne a/c unit
- iPonic Controller Package
- Dehumidifier DryEze 1200
- Oscillating Fans
- Louvered 12" vent 1n & Out
- Netafim Drip System
- 150 Can Filter
- 12" Vortex fan
- 12" Vortex flange
- Uvonair CD-1200
- Stealth Grow NiteLight LED 5 Watt (12/Cs)
- Titan CO2 Regulator
- 4x8x3 EZ-GROW Professional Greenhouse Bench

- Heliospectra 601LX
- 15 ton split a/c unit
- MM 40/40 Case of 2250 Starter Cubes
- Heliospectra LX601
- 10 tonne split a/c unit
- Controller Package
- Dehumidifier
- Watering systems
- 10x20 trays
- HVAC
- Dehumidifier
- 1050gal conical water tank
- 330 Gallon Snyder Total Drain Closed-Head Cone Bottom Tank
- Recirculation pump
- distribution pump
- Blue Lab PPM Pen
- Blue Lab PH Pen
- Blue Lab PPM Clean Kit
- Blue Lab Ph Clean Kit
- Active Aqua 400GPH Pump
- RO System 600gpd
- Blue Lab Guardian Monitor
- Air Pumps
- 3 gal backpack sprayer
- HVAC
- Dehumidifier DryEzez 1200
- Aprilaire 800 Automatic Steam Humidifier
- ULINE Shelving Racks
- ULINE 20x14x8 Stackable totes
- HVAC
- Humidifier Non Specific
- Fiskars Titanium (FC171)

- Centurion Pro Trim Machine
- Commercial Leaf Blower Assembly 3HP
- Commercial Leaf Blower Assembly 2HP
- Commercial Portable Atomizer
- 16 Gallon Rubbermaid Tote
- 3 Gallon Rubbermaid Tote
- ULINE 72"x30" SS Work Tables
- VILLA 1000 OZNE GEN 4000SQFT
- CO2 Distribution and Storage System
- Nitrogen Storage and Delivery
- Vacuum Sealer w/Gas Purge AV-AVN-30
- Stainless Steel Kitchen Prep Table 6'
- Dymo Label Printer
- Fire Extinguishers
- Autoclave
- Luminary Profiler

### **Production Equipment**

- Volumetric Piston Filler
- Cap and Seal Press
- Automatic Capsule Filler
- Automatic Cartridge Filler
- Automatic Vial Filler
- Stainless Steel Production Line Tables
- Production Line Conveyor System
- Accumulation Table
- Misc Production Equipment
- SFE System (Waters)
- CLEED System
- Fractionator
- Certified Scale (Approved for Commerce)
- Lab Grade Utensils
- Heat Shrink Tunnel
- Batch Code Labeler
- Automatic Blister Machine

- Vial Blister Automatic Sealing Machine
- Stainless Steel Shelving
- Autoclave
- Computers
- Inventory Control System and Related Equipment
- Pallet Jack
- Luminary Profiler

### **Laboratory**

- Agilent 1100 HPLC with DA, Quat Pump, Degasser, ALS, Col Comp, Solvent Tray
- Computer, Monitors and Software
- Inventory Control System and Related Equipment
- Agilent 7890B with FID and MS Detectors, Automatic Liquid (7693) and Headspace Sampler (7697A)
- Moisture Analyzer: Adam PMB Series Moisture Balance, 50g capacity and readability at 0.001g
- Analytical Balance: Adam PW Series Analytical Balance, 180 g capacity and readability at 0.0001 g\
- Balance: Adam PGW series precision balance, 1500g capacity and readability at 0.01g with internal calibration
- Incubators: Binder BF53 Forced Convection Incubator
- Centrifuge: Eppendorf 5810R Centrifuge with A-4-44 Swinging Bucket Rotor (4x400 ml), max force 20,800 xg,
- Refrigerator: Marvel general purpose laboratory refrigerator
- Freezer: Marvel General Purpose – 20 Laboratory Freezer
- Pipettes: P200
- Vortexer: Test Tube Vortex Benchmark BV1000 Vortex Mixer
- Flammable Storage: VWR30 Flammable Locker
- Hotplate: Benchmark H4000-HS Stirrer Hotplate
- pH Meter: Daigger pH meter
- Fume Hood: Labconco 4' Protector Fume Hood
- LIMS System: For tracking of internal analytical data acquisition and analysis

### **Transportation**

- Unmarked SUV
- Welded rear truck vaults
- GPS embedded locator chip

- Barcode scanner – handheld
- Satphones such as an Iridium Extreme
- Portable Security Case such as Proxima or Zero Halliburton

### **Each Dispensary Facility**

- ID Scanner - Portable
- ID Scanner - Stationary
- POS Terminals
- Barcode Scanner
- Barcode Label Printer
- Patient Label Printer
- Laminating Machine
- All-in-one copy / fax / scanner /printer
- Shredder
- Tablet Computers
- Desktop Computer
- Back-up Generator
- Calibrated Scale
- Teller Safe Drawers
- Scale Trolley
- Steam Cleaner
- Vacuum Cleaner
- Handheld Vacuum
- Modem
- Phones
- Microwave
- Refrigerator / Freezer
- Dishwasher
- Toaster Oven
- Coffee Maker
- Water Cooler
- 6 tonne HVAC
- Fire extinguishers



EMPIRE GREEN LABS

ATTACHMENT □

## **ATTACHMENT C**

**Included in Attachment C are the fully executed lease option agreements for the properties to be used in manufacturing or dispensing medical marijuana products. Each lease option contains the language required in 10 NYCRR § 1004.5(b)(9).**

1. **Manufacturing Facility:** 42 Windsor Place  
Central Islip, NY 11722
2. **Dispensary 1:** 100 Garden City Plaza, Suite 101  
Garden City, NY 11530
3. **Dispensary 2:** 129 Court Street  
White Plain, NY 10601
4. **Dispensary 3:** 30 South Avenue  
Poughkeepsie, NY 12601
5. **Dispensary 4:** 824 Loudon Road  
Latham, NY 12110

June 1, 2015

Mr. William J. Lougheed  
WJL Equities Corporation  
1140 Grinnell Place  
Bronx NY 10474

Re Cannabis of America, LLC  
427 Manville Road  
Pleasantville NY 10570

Dear Mr. Lougheed;

Cannabis of America, LLC submits the following proposal to lease the land and building at (address) based on the following terms and conditions.

TENANT:	Cannabis of America, LLC
LANDLORD:	WJL Equities Corporation
BUILDING:	42 Windsor Place Central Islip NY 11722
USE:	Grow, manufacture and distribute medical marijuana as authorized by the New York State Department of Health
PREMISES:	Approximately 65,000 square feet
TERM:	Five (5) Years NNN
BASE RENT	\$7.85 per square foot
UTILITIES:	To be paid by the Tenant
COMMENCEMENT:	The later of January 1, 2016, or three (3) months after the tenant receives Approval to operate such a facility from the NYS Department of Health and Approval of a building permit to renovate the facility.
OPTION TO RENEW:	Tenant shall have two (2) five-year options to renew its lease upon six (6) months prior written notice, at fair market value.
SECURITY DEPOSIT:	None

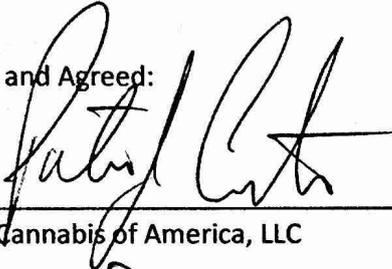
**LANGUAGE REQUIRED**

**IN LEASE:**

The following clause must be included in the lease:

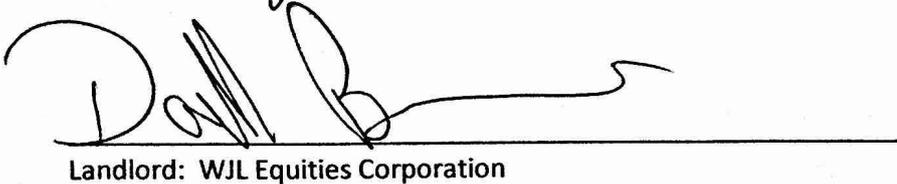
“The landlord acknowledges that its rights of reentry into the premises set forth in this lease do not confer on it the authority to manufacture and/or dispense on the premises medical marihuana in accordance with article 33 of the Public Health Law and agrees to provide the New York State Department of Health, Mayor Erastus Corning 2<sup>nd</sup> Tower, The Governor Nelson A. Rockefeller Empire “State Plaza, Albany, N.Y. 12237, with notification by certified mail of its intent to reenter the premises or to initiate dispossess proceedings or that the lease is due to expire, at least 30 days prior to the date on which the landlord intends to exercise a right of reentry or to initiate such proceedings or at least 60 days before expiration of the lease.”

Accepted and Agreed:



Tenant: Cannabis of America, LLC

6/2/15  
Date:



Landlord: WJL Equities Corporation

6-2-15  
Date:



58 South Service Rd.  
Melville, NY 11747

631 370 6046 Tel  
631 370 6000 Fax

vincent.lamanna@cbre.com  
www.cbre.com

**Vincent LaManna**  
First Vice President

CBRE, Inc.

By email [[Kraig.Silver@treelinecompanies.com](mailto:Kraig.Silver@treelinecompanies.com)]

June 3, 2015

Kraig Silver  
The TreeLine Companies  
200 Garden City Plaza  
Garden City, NY 11530

**Re: *Empire Green Labs, Inc.***  
***100 Garden City Plaza , Partial 1<sup>st</sup> Fl- 3,114 rsf***  
***Garden City, NY***

Dear Kraig;

We have been authorized by, Empire Green Labs, Inc. ("Tenant") to submit the following letter of intent to lease the above captioned space based on the following terms and conditions.

<b>TENANT:</b>	Empire Green Labs Management Services, LLC d/b/a Empire Green Labs Compassionate Care Centers, LLC.
<b>LANDLORD:</b>	Treeline 100-400 GCP LLC
<b>BUILDING:</b>	100 Garden City Plaza Garden City, NY.
<b>USE:</b>	Registered medical marijuana consultation and distribution facility for patients certified by the NYS Department of Health.
<b>PREMISES &amp; AREA:</b>	Portion of the 1 <sup>st</sup> floor consisting of 3,114 rsf (per attached plan), Suite 101
<b>TERM:</b>	Seven (7) years, and six (6) months
<b>BASE RENT:</b>	\$27.00 per rsf

**ELECTRICITY:** \$3.25 per rsf

**COMMENCEMENT:** Upon lease execution with a provision that if the company applying for licensure in NYS:

- a. Has its application for a license declined, the lease becomes null and void;

or

- b. Has not received a decision on its license application by the end of August, the tenant may request a three month extension to nullify the letter of intent.

**POSSESSION:** Upon NYS licensure approval, and completion of Landlord's Work.

**RENT ABATEMENT:** Tenant shall not pay any rent while its application for NYS licensure approval is pending.

Tenant shall have six (6) months free rent from Possession.

**RELOCATION RIGHT:** Landlord, shall have the right to relocate the Tenant to comparable space in the complex upon the same terms and conditions contained herein if Landlord agrees to terms with a third party tenant to take the entire Premise & Area, prior to Tenant receiving NYS licensure approval.

**LANDLORD'S WORK:** Upon Tenant receiving NYS licensure approval to operate the facility, Landlord shall then provide Tenant with a "Turn Key" installation based upon mutually agreed upon plan using a building standard work letter valued \$30.00/rsf.

**ESCALATIONS:** Base Rent Annual Percentage:  
Tenant to pay a 3.00% annual increase in Base Rent over the base year in lieu of operating pass through.

Real Estate Tax:  
Tenant to pay its proportionate share of real estate tax increases over 2016 base year for those billed on a calendar basis and 2015/2016 for those billed on a fiscal base year.

**OPTION TO RENEW:** Tenant shall have one (1) five-year options to renew its lease for the Premises upon nine (9) months prior written notice at fair market value.

**PARKING:** 4/1,000 rsf on non-reserved basis. Tenant shall receive three (3) reserved parking spaces - location to be determined.

**COMPANY INFORMATION:** Please see [www.empiregreenlabs.com](http://www.empiregreenlabs.com)

**SECURITY DEPOSIT:** t/b/d

**BROKERAGE:** This proposal is submitted subject to the Landlord paying one full commission to CBRE, Inc. in accordance with the attached commission schedule. The commission will be due in full upon NYS Licensure Approval.

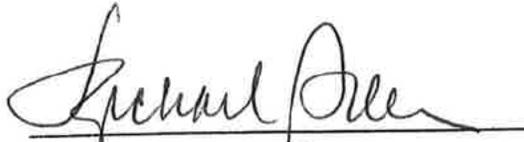
Thank you for your prompt attention to this, and if you are in agreement with this please sign in the area designated below and return to me asap.

This is a non-binding expression of interest only. *DL*

Sincerely,



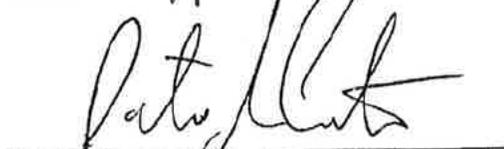
Vincent LaManna



Treeline 100-400 GCP LLC

By: Michael Schn

Title: IP



Empire Green Labs Management Services, LLC

By: PETER J. CANTONE

Title: COO

K. Silver  
June 3, 2015  
Page 4

Encls.

c: R. Freel, CBRE  
Empire Green Labs



Energy Source:

Natural Gas ✓  
Oil Electric  
Solar  
Other \_\_\_\_\_

Engineering Systems: STEAM BOILER

Heating System: Type \_\_\_\_\_, Size \_\_\_\_\_, Efficiency \_\_\_\_\_,

Ventilation Requirements \_\_\_\_\_

Cooling System: Type STEAM CHILLER, Size \_\_\_\_\_, Efficiency \_\_\_\_\_,

Ventilation Requirements SUBMIT TENANT SPECS

Ventilation & Humidification Systems:

Type N/A, Size \_\_\_\_\_, Efficiency \_\_\_\_\_,

Ventilation Requirements TBD

Electrical Distribution Available \_\_\_\_\_

Water Supply: Municipal Water Service \_\_\_x\_\_\_ or Private Well Water \_\_\_\_\_

Sewage: Municipal Sewer System \_\_\_\_\_ or Private Septic System \_\_\_\_\_

Emergency Power System: BATTERY LIGHTING FOR FIRE & LIFE SAFETY

Type \_\_\_\_\_, Size \_\_\_\_\_, Efficiency \_\_\_\_\_,

## EXCLUSIVE OPTION TO LEASE COMMERCIAL PROPERTY

This agreement made the 21<sup>st</sup> day of April 2015,

By and between MBA Tech, Ltd., a New York corporation having its principal place of business at 129-131 Court Street, White Plains, New York, 10601, hereinafter referred to as "MBA," , and

Cannabis of America, LLC ("Empire") a New York limited liability company having its principal place of business at 427 Manville Road, Pleasantville, New York 10570, hereinafter referred to as "Empire."

WHEREAS, MBA is the owner of commercial property located at 129-131 Court Street, White Plains, New York; and

WHEREAS, Empire desires to enter into an option agreement to lease the second floor (approximately 4,000 square feet) of space located at said property, described in the site plan annex as 'Exhibit "A" ("Demised Premises"); and

WHEREAS, Empire intends to operate a legal medical marijuana pharmacy at said location, subject to New York State's and the City of White Plains' written approval to operate said intended business, and

WHEREAS, in consideration for the payments to be made by Empire, as hereinafter set forth, to secure an exclusive right to rent said premises in the future, the parties agree as follows:

Upon execution of this option agreement, Empire shall pay to MBA the sum of ten thousand (\$10,000) dollars in consideration for the exclusive option for a term of three (3) months, commencing on the date of this agreement, to lease the demised premises upon the terms provided herein. Said payment shall be considered non-refundable and a non-adjustable or non-apportionable payment in the event there is no written lease executed by the parties herein, or in the event a written lease is executed prior to the end of said three (3) month option period.

Empire shall be granted the right to extend the option period, on a month to month basis, after the initial three (3) month term at the cost of \$3,750 per month in advance on a monthly basis for three (3) additional months (months 4–6). Thereafter, there shall be one final option extension period for three (3) more months (months 7–9) at the cost of \$5,000 per month. Said monthly payment shall also be deemed non-refundable, non-adjustable and non-apportioned in the event the option period terminates before the end of any given month, whether it terminates without or with a resulting lease or no lease.

The extension period cannot exceed six (6) months, in which event at the end of said six (6) month extension period the option shall terminate and neither party shall have any rights against the other in the event the parties have not executed a written lease agreement within nine (9) months of the date of this agreement. In the event that Empire exercises its option, the parties shall execute a written lease agreement, the essential terms of the lease shall be the following:

- Space: 129–131 Court Street, second floor approximately 4,000 square feet
- Lease term: five (5) years, with one five (5) year option to renew period, which must be exercised in writing by Empire no earlier than 180 days and no later than ninety (90) days from the expiration date of the initial five (5) year term.
- Rent: Commencement date rent: \$6,000/month
- Security: two (2) months' rent
- Add on rent: 50% of any tax increase over the base tax year. The base year is 2015 for property taxes and 2014/15 for school taxes
- Rent increases: annual increase of 2% commencing in the second year of the lease term.
- Late charges: Any rent payment received after the 5th of the month will incur a late charge of 1.5% (e.g. on the commencement rent of \$6,000/month, the late charge is \$90).

- Tenant shall pay for its own utility charges and 50% of the fuel oil charges upon receipt of the oil bill from MBA.
- Assignment and subletting: Except as to an entity controlled by Empire or its principals, Empire shall not have the right to assign or sublet the premises except with the express written consent of MBA. The legal fee incurred by MBA to complete an approved assignment or sub-let shall be the responsibility of Empire.

To be completed by Empire its sole cost and expense:

- a. Installation of a separate electric meter for the leased premises upon commencement of the lease.
  - b. Any and all renovation work to be performed in the leased space, with the exception of the costs of construction to render the bathrooms ADA complaint, shall be first subject to submission of plans to be reviewed and approved by MBA.
  - c. Installation of an elevator or chair lift to reach the second floor, and in compliance with ADA requirements. The installation of a chair lift or installment of an elevator shall be considered a fixture to remain at the premises at the termination of the lease term.
  - d. Any and all renovation work can only be performed if Empire has secured the necessary approvals and/or permits from the City of White Plains.
- Landlord's responsibilities:
    - a. MBA, at its sole cost, shall provide bathrooms in operational and working order, but it shall be Empire's responsibility to insure that the bathrooms are ADA complaint.
    - b. All windows in the leased space shall be properly sealed by MBA to insure that there are no leaks.

- c. MBA is responsible to properly maintain the common areas of the building, the roof, and any ceiling repairs, provided that said damage to the premises ceiling is caused by an outside source (e.g. from the roof), and not caused by from a source emanating from the interior leased space. In that later event, the responsibility shall be Empire's.

In the event of notification of eminent domain by the United States, the State of New York or the City of White Plains or any related agency, MBA shall provide (90) days' notice to Empire that the lease shall terminate. Empire shall not be entitled to any portion of the proceeds realized by MBA as a result of the exercise of eminent domain.

In addition, upon sixty (60) days' prior written notice to Empire, MBA shall have the right, without cause or reason, to terminate the lease before the expiration of any term. In that event, MBA will pay Empire an early termination fee as follows:

- a. Before the expiration of the second anniversary of the lease, the sum of \$60,000.
- b. After the second anniversary date but before the expiration of the fourth anniversary date the sum of \$40,000.
- c. After the fourth anniversary date the sum of \$20,000.

The lease is subject to and contingent upon the lawfulness of the use of the Demised Premises by Empire.

EMPIRE'S BUSINESS SHALL COMPLY WITH THE LAW AND SUCH NON-COMPLIANCE SHALL BE CONSIDERED A MATERIAL BREACH OF THIS LEASE. EMPIRE AGREES TO INDEMNIFY AND HOLD MBA HARMLESS FOR ANY CLAIM BY THE FEDERAL GOVERNMENT, NEW YORK STATE, THE CITY OF WHITE PLAINS, OR ANY FEDERAL, STATE OR LOCAL AGENCY FOR A VIOLATION RELATED TO THE UNLAWFUL SALE, DISTRIBUTION, MANUFACTURE OR TRANSPORT OF ITS PRODUCT OUTSIDE THE STATE OF NEW YORK, OR FOR ANY OTHER VIOLATION IN CONNECTION WITH THE OPERATION OF ITS BUSINESS ACCORDING TO LAW.

IN THE EVENT OF ANY SUCH VIOLATION, AND IN ADDITION TO FORFEITURE AND TERMINATION OF THE LEASE, EMPIRE SHALL BE LIABLE TO MBA FOR RENT AND ADD-ON RENT FOR THE UNEXPIRED TERM OF THE LEASE AS WELL AS REASONABLE ATTORNEYS FEES IN THE EVENT MBA IS COMPELLED TO DEFEND AGAINST ANY CLAIM THAT RESULTS FROM A BREACH OF THE TERMS HEREIN, OR ANY OTHER DEFAULT PURSUANT TO THE TERMS OF THE LEASE.

This option granted to Empire shall be deemed an option only. This agreement does not create a landlord-tenant relationship between the parties unless and until there is a written lease agreement executed by the parties. This option is granted without any right of Empire to exercise possession or control over the premises in question. Empire shall not have the right to enter upon the premises unless on prior notice to MBA and with MBA's express permission. No occupancy, work, alteration, renovation, or operation of any business shall be granted to Empire during the option period.

IN WITNESS WHEREOF, the parties have set their hands and seals on the date first written above.

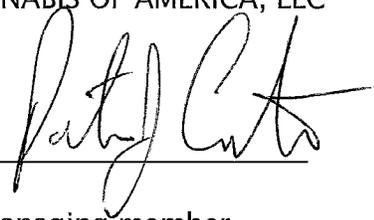
MBA TECH, LTD

BY:



CANNABIS OF AMERICA, LLC

BY



Managing member

ADDENDUM TO EXCLUSIVE OPTION TO LEASE COMMERCIAL PROPERTY

Dated: 2015

BY AND BETWEEN MBA TECH, LTD., (MBA), party of the first part,

And

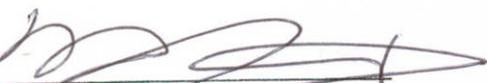
CANNIBIS OF AMERICA LLC, (EMPIRE), party of the second part.

Amending and supplementing the written option to lease agreement, the parties further agree as follows:

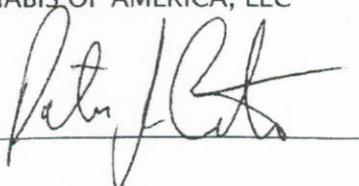
MBA acknowledges that its rights of reentry into the premises do not confer on it the authority to manufacture and/or dispense on the premises medical marihuana in accordance with article 33 of the Public Health Law and agrees to provide the New York State Department of Health, Mayor Erastus Corning 2nd Tower, The Governor Nelson A. Rockefeller Empire State Plaza, Albany, N.Y. 12237, with notification by certified mail of its intent to reenter the premises or to initiate dispossess proceedings or that the lease is due to expire, at least 30 days prior to the date on which the landlord intends to exercise a right of reentry or to initiate such proceedings or at least 60 days before expiration of the lease.

IN WITNESS WHEREOF, the parties have set their hands and seals on the date first written above.

MBA TECH, LTD

BY: 

CANNABIS OF AMERICA, LLC

BY: 



Hudson Commercial Real Estate Corp. 22 IBM Rd., Suite 101, Poughkeepsie, NY 12601-5461

Tel 845 454 1444 Fax 845 454 4912 www.hudsoncommercial.com

June 4, 2015

By Hand

Mr. John Satterfield  
Dambest Racing Carburetors  
248 South Ave  
Poughkeepsie, NY 12601

Re: Proposal to Option and Purchase  
248 South Avenue  
Poughkeepsie, NY 12601  
Empire Green Labs Management Services

Dear John:

Since our clients in reality have to demolish the building if awarded the right to dispense medical marijuana by New York State, they have decided that the best path for you as the owner and for them as the user, is to purchase the property. You will find outlined below a revised proposal that is based on a purchase, subject of course to Empire Green Labs being the designated provider.

As stated previously above, they are prepared and willing to purchase the property after the Formal Contract to Purchase is Fully Executed and subject to the conditions outlined below, which will include being awarded and the right to be the exclusive provider of the subject service and product for the region. The closing date realistically will be for mid to late Fall however, they would like to purchase the property as soon as all approvals have been obtained and New York State has signed all necessary approval forms, issued their Certificate of Need or its equivalent document.

The initial arrangement will be an Option to Purchase while they are applying to the State to become the designated vendor. After they have received formal notification to be the vendor, the contract to purchase will be prepared, reviewed, and signed along with the initial \$10,000 deposit.

Property: 248 South Avenue

Poughkeepsie, NY 12601

The property to be sold is the approximate 4,000 sq. ft. building and the entire parcel. The estimated land is about .36 acres. This will be conveyed on an "as is" basis.

Purchaser: Empire Green Labs Management Services, LLC d/b/a  
Empire Green Labs Compassionate Care Centers, LLC

They will have the right to transfer the contract to a single asset entity that they will create to purchase the property.

Seller: John Satterfield

Option to Purchase: Upon signing of this term sheet, a non-refundable payment of \$10,000. During this period, the owner will agree not to enter into any other agreements to transfer the property whether through lease or sale to any other entity and will agree when requested to prepare and negotiate in good faith a contract to purchase the property for \$325,000. The option will be for a three month period and can be extended for another three months with a \$2,000 payment upon written notice by the optionee (buyer).

Purchase Price: **\$325,000** – All Cash at the closing  
a. \$10,000 cash deposit with the signing of the Contract to Purchase  
b. \$315,000 at closing.

Closing: Estimated to be on or before November 1, 2015, subject to meeting conditions outlined below.

Earnest Money Deposit: \$10,000. The Deposit is to be placed in the Escrow Account of the seller's attorney upon the full execution of the Purchase Agreement. The initial Deposit shall be applied to the Purchase Price, assuming the transaction

contemplated herein is consummated. In the event that the Agreement is not executed and the closing does not occur, the Initial Deposit shall be returned to the Buyer.

Closing Documents:

Upon the execution of the Purchase Contract, Seller shall deliver to Buyer any available pertinent documentation relating to the Property as follows:

- a. Seller's existing title insurance policy or abstract;
- a. All available building plans;
- b. All available site engineering and survey plans;
- c. All additional pertinent environmental, structural and engineering reports regarding the property in the Seller's possession.

Due Diligence Period:

The Buyer shall have a period of 90 days following the date of the full execution and delivery of the Purchase Contract for the Due Diligence review of the property, (the "Due Diligence Period"), including, but not limited to, the review of the following items:

1. Environmental Review
2. A Clear and Marketable Title, including all leasehold interests in the property if any.
3. Survey and engineering reports and studies.

Conditions:

The Contract to Purchase is subject to the following conditions:

1. The proposed contract is subject to the property being delivered environmentally clean and able to qualify for institutional financing.
2. The purchase is subject to the conveyance of a clean and marketable title.
3. Approval of the Purchaser's intended use in writing from the City of Poughkeepsie. Purchaser intends to use the property for their business including but not limited to registered

- medical marijuana consultation and distribution facility for patients certified by the NYS Dept. of Health.
5. Receipt from New York State in writing that Empire Green Labs has been approved and designated to provide medical marijuana for the Poughkeepsie area.
  6. Removal of debris, automobiles, on the property and the interior of the building free and clear of machinery, etc.
  7. The property will be conveyed on an "as is" basis.

During the inspection period, the Buyer's inspecting architect, engineer and representatives will have reasonable access to the Property for purposes of non-intrusive physical and environmental inspection and review for construction and capital expenses and other matters. The Buyer will pay all fees and costs of its inspecting engineer and other consultants and architects, etc.

- Brokerage: Seller and Purchaser recognize that the Hudson Commercial Real Corp. is the Broker involved in this transaction and the fee of 6% will be paid at the closing and transfer.
- Contract: The Seller will draft the Contract of Purchase and Sale for the Purchaser's review.
- Possession: The property will be delivered free and clear upon the sale of Property of any leases, licenses or liens that may be in place now.

If the basic business terms are acceptable, please sign below and we will have the proper officer of the buyer sign as well. In the future, when sent a notice in writing that the buyer is ready to enter into a contract to Purchase, please have a Contract to Purchase prepared for the Buyer's attorney to review. The contract will be issued with the full understanding that it is not binding until a Contract to Purchase has been fully executed by both the Seller and Purchaser and the deposit is received and deposited.

This proposal is submitted with the understanding that it is not binding on either party and will be used as a basis to discuss and review terms and conditions for a proposed contract.

The Contract to Purchase will not be binding until it has been reviewed by attorneys for both Buyer and Seller, fully executed by the Buyer and Seller and the down payment has been received and deposited.

Very truly yours,

  
Samuel Finnerman

CC: Gary Mullin, Peter Cantone

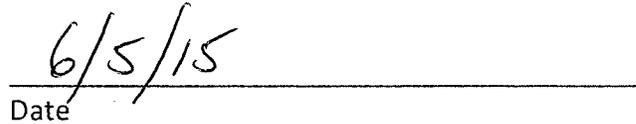
Agreed and acknowledged  
Buyer- Empire Green labs management Services LLC



By

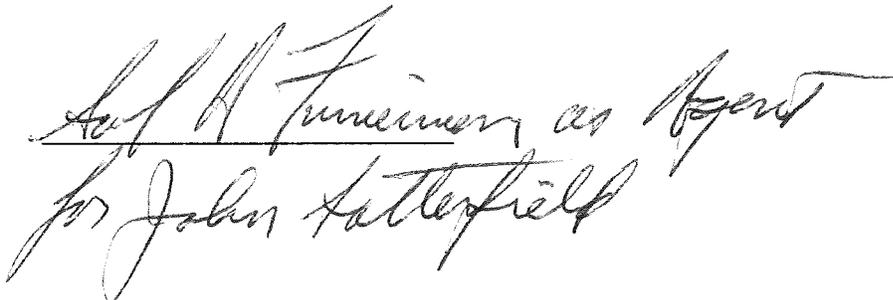


Printed



Date

Seller – John Satterfield





COMMITTED TO EXCELLENCE

---

June 1, 2015

Mr. Robert Ensign  
Mrs. Donna Ensign  
Motoring Madness, LLC  
c/o 836 Loudon Road  
Latham, NY 12110

**Re: *Empire Green Labs Management Services, LLC***  
***824 Loudon Road***  
***Latham, NY 12110***

Dear Bob and Donna;

Empire Green Labs Management Services, LLC ("Parent Company") submits the following proposal to lease the above captioned space based on the following terms and conditions.

**TENANT:** Empire Green Labs Management Services, LLC d/b/a Empire Green Labs  
Compassionate Care Centers, LLC.

**LANDLORD:** Motoring Madness, LLC

**BUILDING:** 824 Loudon Road  
Latham, NY 12110

**USE:** Registered medical marijuana consultation and distribution facility for patients  
certified by the NYS Department of Health.

**PREMISES & AREA:** Building approximately 5,016 sf and property

**TERM:** Five (5) Years

**BASE RENT:** \$10.00 per sf

**ELECTRICITY:** Per Tenant's pro rata share

**COMMENCEMENT:** 6/15/2015 with a provision that if the company applying for licensure in NYS:

- Has not received a decision on its license application by the end of August 2015, the tenant may request a three month extension (referred to as the option period).
- Interim Rental payments shall begin on 6-15-2015 at \$10.00 per square foot plus nets and shall continue at minimum thru the option period or a minimum of 5 months.
- Motoring Madness LLC will not execute a lease with Empire Green Labs Management Services LLC, dba Empire Green Labs Compassionate Care Centers LLC until such time as they receive approvals from New York State.

**RENT ABATEMENT:** Three (3) months beginning upon execution of lease agreement and for fit up purposes only.

**OPTION TO RENEW:** Tenant shall have two (2) five-year options to renew its lease for all or part of the Premises upon six (6) months prior written notice at fair market value.

**COMPANY INFORMATION:** Please see [www.empiregreenlabs.com](http://www.empiregreenlabs.com)

**SECURITY DEPOSIT:** t/b/d

**BROKERAGE:** Leah Witko, Keller Williams Capital District a separate commission agreement has been provided to the Landlord.

**LANGUAGE REQUIRED IN LEASE:** The following clause must be included in the lease:

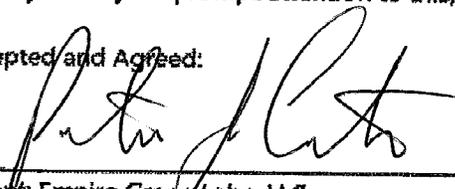
*"The landlord acknowledges that its rights of reentry into the premises set*

*forth in this lease do not confer on it the authority to manufacture and/or dispense on the premises medical marihuana in accordance with article 33 of the Public Health Law and agrees to provide the New York State Department of Health, Mayor Erastus Corning 2nd Tower, The Governor Nelson A. Rockefeller Empire State Plaza, Albany, N.Y. 12237, with notification by certified mail of its intent to reenter the premises or to initiate dispossess proceedings or that the lease is due to expire, at least 30 days prior to the date on which the landlord intends to exercise a right of reentry or to initiate such proceedings or at least 60 days before expiration of the lease."*

This letter constitutes an expression of interest only and is a reflection of the parties' understanding of some of the general terms of the proposed transaction and upon which understanding the parties' are willing to proceed with further discussions and negotiations. Unless otherwise agreed to in writing, only a fully executed lease agreement will be contractually binding between both parties. However aforementioned interim rental payments shall be enforceable with the execution of this agreement.

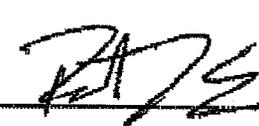
Thank you for your prompt attention to this, and we look forward to discussing this with you shortly.

Accepted and Agreed:



Tenant: Empire Green Labs, LLC

Date:



Landlord: Motoring Madness, LLC

Date:

6-1-15



Brokerage: KW Commercial

Date:

6-1-15



**ATTACHMENT D**



**ATTACHMENT D**

**Section 1: Manufacturing**

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## **ATTACHMENT D**

### **SECTION 2: TRANSPORT AND DISTRIBUTION**

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**ATTACHMENT H  
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**CANNABIS OF AMERICA, LLC  
DBA  
EMPIRE GREEN LABS**

*Manufacturing Facility: CENTRAL ISLIP, NY*

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**ATTACHMENT H  
SECURITY PLAN  
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**CANNABIS OF AMERICA, LLC  
DBA  
EMPIRE GREEN LABS**

*DISPENSARY 1: GARDEN CITY, NY*

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EMPIRE GREEN LABS**

*DISPENSARY 2: WHITE PLAINS, NY*

*Authored and Developed by  
Matt D. Cook, President  
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SECURITY PLAN  
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**CANNABIS OF AMERICA, LLC  
DBA  
EMPIRE GREEN LABS**

*DISPENSARY 4: LATHAM, NY*

*Authored and Developed by  
Matt D. Cook, President  
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