Medical Marijuana Dispensary Permit Application

You may apply for one dispensary permit in this application for any of the medical marijuana regions listed below. A separate application must be submitted for each primary dispensary location sought by the applicant. Please see the Medical Marijuana Organization Permit Application Instructions for a table of the counties within each medical marijuana region and the counties in which you are eligible to locate your primary dispensary.

Please check to indicate the medical marijuana region, and specify the county, for which you are applying for a dispensary permit:

☐ Northwest  ☐ Northcentral  ☐ Northeast
X Southwest  ☐ Southcentral  ☐ Southeast

County 1 (Primary Dispensary Location): **Butler**

County 2 (if applicable): **Cambria**

County 3 (if applicable): **Allegheny**
Medical Marijuana Dispensary Permit Application

Part A - Applicant Identification and Dispensary Information

(Scoring Method: Pass/Fail)

For this part, the applicant is required to provide background and contact information for the business or individual applying for a dispensary permit, the primary dispensary location, along with any second or third dispensary locations that are being sought under the application.

Section 1 – Applicant Name, Address and Contact Information

Business or Individual Name and Principal Address

| Business Name, as it appears on the applicant’s certificate of incorporation, charter, bylaws, partnership agreement or other legal business formation documents: |
| Medganics LLC |
| Other trade names and DBA (doing business as) names: N/A |
| Business Address: 6877 US 322 |
X Primary Contact, or ☐ Registered Agent for this Application

Name: Mary Ann Parker, Esq.

Address:

City: Franklin
State: PA
Zip Code: 16323

Section 2 – Dispensary Information

The applicant is required to provide a primary dispensary location. The applicant may include a second or third location under this application. A second or third dispensary may be added to a dispensary permit at a later date through the filing of an application for additional dispensary locations.

By checking “Yes,” you affirm that you possess the ability to obtain in an expeditious manner the right to use sufficient land, buildings and other premises and equipment to properly carry on the activity described in the medical marijuana dispensary permit application, and any proposed location for a dispensary.

Primary Dispensary Location (please indicate dispensary name as you would like it to appear on the dispensary permit)

Facility Name: Medganics, LLC #1

Address: 9125 Marshall Rd

City: Cranberry Township
State: PA
Zip Code: 16066

County: Butler
Municipality: Cranberry Township
Medganics has carefully examined the demographics of various areas in the southwest region, with regard to population reach, in order to determine where to search for three dispensary locations. Our overriding goal was to draw from a large patient population in covering, first and foremost, a large rural reach for two of our locations. We decided upon Butler County for our primary dispensary, outside a city area, where the reach would be to a wide circle of rural patients needing medical cannabis, as well as those from the northern suburbs of Pittsburgh.

Cranberry Township, PA, nestled in the southwest portion of Butler County, met our goal for significant outreach. We decided to place our primary location in a convenient area of Butler County with two major highways, I-79 and I-76, intersect, thus allowing easier access for patients from New Castle, Butler, Slippery Rock, Grove City, Kittanning, Zelienople, Ford City, Prospect, Beaver Falls and all of their surrounding smaller communities. Even Franklin/Oil City area and Clarion, if no dispensaries are located in their communities, would have relatively easy access to our location.

Our specific property location at Marshall Commons was selected because of its secure building space, located in a retail/commercially-zoned area, in a safe and easily accessible part of Cranberry Township. The location has plenty of customer parking immediately in front of the entrance, is handicap accessible from the parking lot to the entrance, as well as inside the space, with already existing ADA-compliant bathrooms.

Medganics’ intention, and indeed, its mission, is to meet the needs of as many PA patients as possible, with an emphasis on patient care for veterans where they might not otherwise be able to access medical marijuana products.

It is rare to find public transportation in the rural communities of PA. For that reason, Medganics will be operating a van pick up service to help patients to and from the dispensary locations.

Our principles are working in Jefferson and Clearfield Counties, as members of the Jefferson County Development Council, on a Veterans Transportation Program to merge public and private transportation for veterans who cannot gain access to transportation for health care needs. Although we will not be locating a dispensary in either Jefferson or Clearfield counties, we are on the ground floor of assisting with securing funding from PENNDOT and Marcella Shell Funding for that project. Our expectation is that we will be able to carry this same type of program to Butler County (Beaver, Venango and other nearby counties), join-
ing with veterans groups and community affairs of Cranberry Township to facilitate a public/private partnership, to ensure that veterans and others in need, get access to the benefits of the medical marijuana when needed.

The population reach from a 10-mile radius around 9125 Marshall Rd. Cranberry Township, PA is estimated at 147,317. The 25-mile radius from this location has a population of 1,552,672, and a 50-mile radius, a population of 3,249,268. The commute from Downtown Cranberry Township to this location is a 4-minute drive, 15 min bike ride and 50 min walk.

By locating Medganics’ primary dispensary in Cranberry Township within Butler County, we see the huge potential that this location will have to help the local community as well as help patients from a wide array of surrounding areas. With our location at 9125 Marshall Rd., we can conveniently serve areas such as Zelienople, Evans City, Butler City/Township and Slippery Rock just all within Butler County. Likewise, many cities outside of Butler County, like New Castle in Lawrence County has a population of 70,893 within an 8-mile radius. New Beaver, also in Lawrence County, has an estimated population of 75,560 within an 8-mile radius. New Brighton in Beaver County has a population of 123,616 within an 8-mile radius. Medganics will provide easily accessible service to all of these communities with this location.

Other options for public/private transportation that will aid patients include the following:

Transportation Services:

- **BART (Butler Area Rural Transit)**
  - Operating 5 days a week, utilizing a fleet of wheelchair accessible vehicles, and provides on average 275-300 trips per day.
  - BART’s philosophy is to “Find a way to say; YES”
  - Callers call through a direct service or through referrals to other appropriate human services providers.

- **MATP (Medical Assistance Transportation Program)**
  - Provides transportation to medical appointments for Medical Assistance recipients who do not have transportation available to them.
  - The individual’s county of residence will provide the type of transportation that is the least expensive while still meeting their needs.
  - Service is available for both in-county and out-of-county transportation. Trips can be scheduled by calling the toll free number provided. Clients must be pre-registered with the program.
  - Medical Assistance Transportation consists of non-emergency transportation to Medical Assistance reimbursable services such as doctors, dentists, physical therapy and prescription drugs.
  - [https://pa211sw.communityos.org/zf/profile/service/id/1081803](https://pa211sw.communityos.org/zf/profile/service/id/1081803)
  - [http://matp.pa.gov/](http://matp.pa.gov/)
• **Venango County, PA Shared Ride Transportation**
  - Open to general public as well as Agency.
  - Passengers 65 and older may ride a reduced rate.
  - Generally limited to Venango County ONLY, with some exceptions to neighboring counties for medical trips.
  - Advanced registration required.

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**Second Dispensary Location**

<table>
<thead>
<tr>
<th>Facility Name: Medganics, LLC #2</th>
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<tbody>
<tr>
<td><strong>Address:</strong> 218 Parkhill Drive</td>
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<tr>
<td><strong>City:</strong> Johnstown</td>
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<tr>
<td><strong>County:</strong> Cambria</td>
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</tbody>
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Please provide a description of the public access to the dispensary location, including any local public transportation that may be available:

Please limit your response to no more than 5,000 words.

As stated in the prior section regarding Medganics’ Butler County location, one of our main goals is to serve the rural patients in the Commonwealth. We can best do that by locating in smaller townships with a reasonably large potential patient population within an acceptable driving distance to our dispensaries. Our chosen community of Johnstown is perfectly situated to attract a wide range of patients from the surrounding region.

The particular building that Medganics will be leasing has plenty of parking on site, with a 120 x 120 foot lot. With minimal construction, the entire interior and exterior will be ADA accessible in all regards. It sits on high traffic Route 271, in a commercial area of East Taylor Township, within a mile of a pharmacy on the same route, in a safe and well-traveled area.

The population within a 10-mile radius around 218 Parkhill Dr. Johnstown, PA is estimated at 108,929. The 25-mile radius of this location is shown to have a population of 323,691. And a 50-mile radius has a population of 1,294,755. The region around Johnstown is the fourth largest population center in Pennsylvania. Unfortunately, the general area is riddled with high rates of drug addiction, including opiate abuse and heroin use. A medical marijuana dispensary in this area could provide untold benefit in the goal of assisting drug users and abusers in their efforts to beat addiction.
The commute from Downtown Johnstown to this location is a 12 min car ride, 24 min bike ride and 60+ min walk.

With surrounding counties and cities, we can serve a wide array of patients. With Indiana City located in Indiana County, with a population of 45,323 within an 8-mile radius; Berlin in Somerset County with a population of 17,542 within an 8-mile radius; and Bedford in Bedford County with a population of 14,692 within an 8-mile radius, this location will be positioned to provide service to a deserving population. All of those communities are in easy driving range to our location.

Transportation Services:
- CamTran (Cambria County Transit Authority)
  - Providing nondiscriminatory transportation services to all passengers.

In addition to the available public transportation, Medganics will, as previously stated in the Butler County section herein, be providing van service for patients and working in Cambria and surrounding counties to establish as special transportation program for veterans. (Details are not repeated to avoid redundancy).

### Third Dispensary Location

<table>
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<tr>
<th>Facility Name: Medganics, LLC #3</th>
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<tbody>
<tr>
<td>Address: 901 &amp; 903 E. Carson Street</td>
</tr>
<tr>
<td>City: Pittsburgh</td>
</tr>
<tr>
<td>County: Allegheny</td>
</tr>
</tbody>
</table>

Please provide a description of the public access to the dispensary location, including any local public transportation that may be available:

Please limit your response to no more than 5,000 words.

The Medganics location at 901/903 East Carson Street in the Southside district of Pittsburgh is a perfect urban location for our dispensary with incredible access for all patients in the city of Pittsburgh. It sits directly on a main public transit bus route. This location is extremely high in foot and vehicle traffic. Most errands can be accomplished on foot or bicycle, as the Southside Flats is a very walkable area, being very flat, and also has excellent bike lanes. There are six bridges that can be used to cross the Monongahela River, and one bridge crossing the Ohio River from Downtown Pittsburgh to enter Southside Flats. Most intersect with Carson Street after you cross the river.
The population from a 10-mile radius around 901/903 East Carson Street, Pittsburgh PA is estimated at 981,753. The 25-mile radius of this location is shown to have a population of 1,880,992. And a 50-mile radius has over 3,000,000 people.

By locating our tertiary dispensary here, in Allegheny County, we will be able to serve the busiest parts of Pittsburgh, with a high reach for foot, bike and transit traffic. While being located in Pittsburgh, surrounding cities as well as neighboring counties can access our dispensary location.

Public Transportation: [http://www.portauthority.org/paac/](http://www.portauthority.org/paac/)
There is a bus stop located right out the front door of this dispensary location. You have the ability to take any of the 51 bus routes to get from downtown, down Carson Street right into the heart of the South Side neighborhood. Pittsburgh’s light rail system, “The T”, also runs from downtown into the South Side.

Transportation Services:
- **Sierra Transportation**
  - Handicap transportation service
  - Allegheny County and surrounding areas
  - Provides high quality, friendly, safe, timely disability transportation services.
  - [https://sierratransportationllc.net/](https://sierratransportationllc.net/)
- **Pittsburgh Transportation Group**
  - Order a Taxi, black car, shuttle or shared van ride.
  - [http://pghtrans.com/](http://pghtrans.com/)
- **Transport U**
  - Provides non-emergent health care transportation
  - [https://www.transportu.net/](https://www.transportu.net/)

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Part B – Diversity Plan

**Scoring Method: 100 Points**

In accordance with Section 615 of the Act (35 P.S. § 10231.615), an applicant shall include with its application a diversity plan that promotes and ensures the involvement of diverse participants and diverse groups in ownership, management, employment, and contracting opportunities. Diverse Participants include a person, including a natural person; individuals from diverse racial, ethnic and cultural backgrounds and communities; women; veterans; individuals with disabilities; corporation; partnership; association; trust or other entity; or any combination thereof, who are seeking a permit issued by the Department of Health to grow and process or dispense medical marijuana. Diverse Groups include the following businesses that have been certified by a third-party certifying organization: a disadvantaged business, minority-owned business, and women-owned business as those terms are defined in 74 Pa. C.S. § 303(b); and a service-disabled veteran-owned small business or veteran-owned small business as those terms are defined in 51 Pa. C.S. § 9601.
Section 3 – Diversity Plan

By checking “Yes,” the applicant affirms that it has a diversity plan that establishes a goal of opportunity and access in employment and contracting by the medical marijuana organization. The applicant also affirms that it will make a good faith effort to meet the diversity goals outlined in the diversity plan. Changes to the diversity plan must be approved by the Department of Health in writing.

The applicant further agrees to report participation level and involvement of Diverse Participants and Diverse Groups in the form and frequency required by the Department, and to provide any other information the Department deems appropriate regarding ownership, management, employment, and contracting opportunities by Diverse Participants and Diverse Groups.

☐ X Yes ☐ No
DIVERSITY PLAN

IN NARRATIVE FORM BELOW, DESCRIBE A PLAN THAT ESTABLISHES A GOAL OF DIVERSITY IN OWNERSHIP, MANAGEMENT, EMPLOYMENT AND CONTRACTING TO ENSURE THAT DIVERSE PARTICIPANTS AND DIVERSE GROUPS ARE ACCORDED EQUALITY OF OPPORTUNITY. TO THE EXTENT AVAILABLE, INCLUDE THE FOLLOWING:

1. The diversity status of the Principals, Operators, Financial Backers, and Employees of the Medical Marijuana Organization.

2. An official affirmative action plan for the Medical Marijuana Organization.

3. Internal diversity goals adopted by the Medical Marijuana Organization.

4. A plan for diversity-oriented outreach or events the Medical Marijuana Organization will conduct during the term of the permit.

5. Contracts with diverse groups and the expected percentage and dollar amount of revenues that will be paid to the diverse groups.

6. Any materials from the Medical Marijuana Organization’s mentoring, training, or professional development programs for diverse groups.

7. Any other information that demonstrates the Medical Marijuana Organization’s commitment to diversity practices.

8. A workforce utilization report including the following information for each job category within the Medical Marijuana Organization:
   a. The total number of persons employed in each job category,
   b. The total number of men employed in each job category,
   c. The total number of women employed in each job category,
   d. The total number of veterans in each job category,
   e. The total number of service-disabled veterans in each job category, and
   f. The total number of members of each racial minority employed in each job category.

9. A narrative description of your ability to record and report on the components of the diversity plan.

Please limit your response to no more than 5,000 words.
The Medganics Diversity Plan:
Why Our Commitment to Diversity Works

Understanding the diversity status of our leadership team easily demonstrates our ability to successfully achieve diversity within the Medganics organization. Our leadership team was not developed with an effort to achieve diversity leadership on paper for an application. Rather, our team came together as a result of the diverse relationships that were already naturally established through existing years of friendship, professional relationships and mutual respect among the team members. As such, our life experiences and relationships form our interest in diversity and make this aspect of compliance instinctive.

Our CEO and majority stockholder, Mary A. Parker, is an attorney, business person, who has made an effort throughout her career to promote and support diverse people in business and legal fields, having started her career when it was extremely white-male dominant, much like the cannabis industry is today. She recognizes that best efforts and innate talent, regardless of sex or other unique diversities, cultivate success. Colleagues have referred to her law office as the “United Nations” due to her commitment to hiring across all diversity lines. Her lifetime commitment to diversity will be a philosophical reality in Medganics dispensary operations. As set out in detail below, the diversity status of the balance of our leadership team reflects the degree to which Medganics values diversity.

Our principals include Nic Easley, a service-disabled veteran of the Air Force, and Nick Palacios, the son of a Colombian immigrant. Our medical team is comprised of a range of ages, two men and three women, with Moshe Ben-Roohi, MD, our Medical Director, who is Iranian born; Nancy Wolfe-Sidberry, MD, Family Practitioner, is African-American; Jean Dugan, Pharm.D, PA licensed; Steven Miller, MS, Pharm. PA licensed; Nancy Quigley, NP, nurse practitioner. Medganics’ biochemist and microbiologist director, Sipranchan Chanthaphaychith, JD was born in Laos. This team of diverse medical and scientific experts will be vetting all of the additional medical and scientific staff that is retained for our operations, with a company philosophy and its protocols, not only supporting, but also requiring diversity. Medganics financial backers include one woman (Parker) and one man (Burch) in addition to institutional investors. Our senior management team will lead by example, demonstrating diversity, modeling behaviors and setting expectations for the entire company. Since its inception, diversity has been a natural cornerstone of Medganics and will continue to play an integral role in our business strategy.

Medganics’ Diversity Plan reflects our deep-seated belief that the long-term success of any business depends on the collaboration of diverse perspectives that may arise from differences in age, race, gender, socioeconomic status, physical ability, sexual orientation, cultural background, ethnicity, or life experience. We are especially committed to employing veterans, which creates an additional level of diverse experience to assist our many patients as we expect veterans to comprise a considerable part of our patient base, needing a special level of understanding. Not only is diversity the right thing to do, but it is a critical component of business success.

Having made our strong commitment to serving our veterans, we have coordinated with veterans’ groups in each locality where our dispensaries will be located to best understand their needs and to seek out highly-qualified veterans for employment. In Butler County, we have made a commitment to work with BC3 Veterans Services for both of our hiring efforts as well as our charitable work. In Allegheny County, we will be utilizing the services of PA CareerLink Allegheny East for hiring of veterans. In Cambria County, we will be involved with Veterans Community Initiatives for veteran employment. When hiring and contracting decisions are made from a broad and diverse pool of candidates, we will better accomplish our mission of becoming the top provider of medicine with the highest quality of products and service at the most competitive pricing in the Commonwealth. This, in turn, will increase the likelihood of maximizing return on investment for our stakeholders.

At Medganics, we see a direct correlation between achieving our business objectives and acting as an Equal Employment Opportunity and Affirmative Action business. We believe that diversity and inclusivity breed the kind of employee engagement that directly impacts quality and profitability. When diversity practices are understood and implemented from this perspective, consistency and compliance improve.
Emphasizing this connection will make diversity management a priority for all principals, operators, executives, managers, and employees. We hope our success in this area will have a positive impact on the financial backers that we attract.

Medganics has developed a Comprehensive Diversity Management Plan ("CDMP") that outlines our strategies for achieving diversity and creating an environment where all employees, owners and operators have an equal chance of succeeding and contributing to the business. In our experience, this only happens when collaboration and inclusivity are built into standard operating procedures and practiced through all phases and facets of the business, including our official plan for Affirmative Action, our processes for decision-making, and our daily interactions with employees. The CDMP will enable Medganics to measure, monitor, and evaluate progress in diversity management within our company. It also ensures that our contracting agreements with outside companies follow those same principles.

**SUMMARY:** Medganics will employ a vastly qualified, diverse, yet like-minded, and highly effective workforce, which Medganics sees as a path to success, not a statutorily required mandate, as recognized through the diverse experience that our management team brings to the organization. Medganics is committed to employing civilians and veterans of any race, color, national origin, gender, age and ethnicity – regardless of disabilities, sexual orientation or creed. Doing so is a privilege that fosters innovation and enhances problem solving, that will challenge us to remain open to new ideas and new ways of thinking in a world that is constantly changing.

**Diversity Status of the Principals, Financial Backers, Operators, and Employees**

**Principals:**
Full legal name: Mary A. Parker, CEO
Percentage of ownership: 32.3334%
Short bio: As a pioneer in business and in law in the mid-70’s, when there were virtually no women rising to the top, Parker served as a prosecutor, and then started her own firm, ultimately specializing in civil rights litigation. She understands the difficulty of fighting through the struggles of being an outsider, and is fully committed to providing opportunities to a diverse group of employees at all levels of Medganics, who share a positive work ethic and a desire to learn a new industry. It is her fervent desire to prove that women and men of diverse backgrounds can make an extremely positive impact in the MMJ industry.

Full legal name: Nicholas Easley, COO
Short bio: As a crypto-linguist in the Air Force, Easley worked closely with the widest range of diverse individuals and fully recognizes the inherent benefit to complex military operations when utilizing input from a diverse group of individuals committed to the same end result. In his role as CEO of 3C, a consulting company, Easley has assisted over 70 companies implement diversity plans for their operations. Additionally, as a disabled veteran himself, along with his commitment to diversity overall, he is particularly committed to employing veterans.

Full legal name: Samuel “Skip” Sanzeri, CFO
Percentage of ownership: 32.3333%
Short bio: With a Masters degree in Public Administration, Sanzeri has utilized his dynamic entrepreneurial talent in a diverse field of businesses, always working with a widely diverse group of people. Sanzeri has always had a keen eye for affirmative action and required strict compliance with EEO with every client he has taken from startup to success. Currently, he is a Strategic Advisor to 3C, helping clients implement EEO plans.

Full legal name: Nickolas P. Palacios, Director of Community and Diversity Outreach
Percentage of ownership:
Short bio: Palacios, a first-generation American, recognizes the gifts and opportunities that he has been given and always wants to help others. As a highly talented ice hockey player, Palacios earned a position
on a USA team, competing in Europe, interacting with players of many diversities and different countries. He comes to Medganics with experiences that proved to him that diversity is THE ticket to success.

Financial Backers:
Full legal name: Lucius Burch
Percentage of ownership: 0.3%

Position: Financial backer
Short bio: Burch is a 78-year-old businessman who is well known and well respected in the Nashville, TN business community as one of its most successful entrepreneurs. Having the ability to cross over many different types of business ventures with a keen eye toward success, he was drawn to Medganics due to his desire to support young "ethnic" entrepreneurs and was impressed with the efforts and tenacity of Palacios, with whom he personally was acquainted. Having been in Nashville during the segregation years, Burch was supportive of integration, using his resources to impact educational equality and improvements. His enlightening history will give guidance to future generations of Medganics employees.

Operators,
Full legal name: Moshe Ben-Roohi, MD,
Position: Medical Director.
Short bio: Dr. Ben-Roohi was born in Iran and became a naturalized American citizen at age 18. His studies took place in both the US and abroad. In his practice, he has treated patients of all ethnic and cultural backgrounds. His diverse background of experience, not only allows him to be open and accepting of diversities in employment, it puts him in a unique medical position of understanding how those diverse backgrounds impact health, such that he can help work with Medganics' doctors and healthcare professionals to create individualized patient protocols.

Full legal name: Nancy Wolfe-Sidberry, MD
Position: Assistant Medical Director
Short bio: Dr. Wolfe-Sidberry grew up in the South, as an African-American, during painful segregation and brings her own personal heart-rending history to Medganics. As the Assistant Medical Director, she will be working side-by-side with Dr. Ben-Roohi, on hiring and education of staff. She has headed her own woman-owned medical practice since 1992, and has always hired across all race, sexual, age and ethnic lines. She will be vigilant in assuring that Medganics does the same.

Full legal name: Jean Dugan
Position: Director of Pharmacy, and Pharmacy Education
Short bio: As a former pharmacist for CVS Health, Jean directly observed diversity benefits in practice, as she served over 30 different pharmacies in diverse communities throughout California. The demographics of pharmacy employees mirrored patients served. The quality of care directly correlated to the variances of employee ethnicity, race, background, gender, and educational status. As an advocate for the success of Medganics, Jean is committed to transfer the proven experience of diversity to the dispensary employee demographics where employee differences are unified by passion, commitment, and work ethic.

Employees:
Full legal name: Siprachanh Chanthaphaychith
Position: Microbiologist and Bio-Chemical Analyst
Short bio: Chanthaphaychith, female immigrant-turned naturalized US citizen, has been continually exposed to people from a wide range of ethnicities, cultures and socio-economic backgrounds. She appreciates that everyone has a story and brilliant ideas to share. Her thirteen plus years at Vanderbilt exposed her to multinational colleagues. Her law school was named #1 for Most Diverse Law Schools (PreLaw Magazine). Chanthaphaychith, as Cofounder, President, of the Nashville Chapter of the National Association of Asian American Professionals, has helped create partnerships with diverse organizations and businesses in the Greater Nashville area. Her commitment to diversity is unequaled.

Full legal name: Nancy Quigley
Position: Nurse Practitioner, Dispensary Operator, Health Specialist.  
Short bio. Quigley, a registered nurse, master’s-level exercise physiologist, and behavioral psychologist, has both the training and the experience to assist Medganics diversity. She ran a certified woman-owned business, with multi-racial, multi-cultural and international clients in the country, Christian, hip-hop, and pop music. Now armed with a second master's degree in nursing, a nurse practitioner license, and a strong background in herbal medicine, she is eager to bring her unique background of diversity in business and health care to serve her medical cannabis patients of Pennsylvania.

Full legal name: Steven Miller  
Position: Pharmacist  
Short bio: Miller is president of SJM Enterprises, providing formulary review and analysis, intervention, medication therapy management, for a diverse populations of patients. He is a clinical pharmacist with more than 30 years of experience in Medicare, and Medicaid pharmacy consulting, with emphasis on the disadvantaged, disabled and elderly. He brings that lifetime of commitment to Medganics.

**Medganics’ Official Affirmative Action Plan**

Medganics’ Board studied various affirmative action (“AA”) plans utilized in a wide range of corporate structures and determined that comprehensive diversity could best be achieved within our organization by implementation of the one the federal government utilizes for its own contractors. Guided by our CEO, who spent a large part of her litigation career advocating for victims of discrimination in the workplace, our diversity plan will be monitored personally by the CEO, Parker, and anything less than strict adherence to it, will not be tolerated. The federal government plan sets the best standards, notably including proposals requested by diversity-oriented groups. Therefore, our high quality system will mirror that of the federal government. Our goals of Affirmative Action will be carried out, with the highest of standards, customized to meet the unique needs of the medical marijuana market in Pennsylvania.

**Action-Oriented Programs**

Medganics, in addition to having action programs that are inviting for employees to participate in and voice objections, so that any potential problems can be identified and eliminated within the existing employee population, specific affirmative action goals will be met with the following:

1. Open door policy. In addition to Human Resources hotline, and supervisor reporting, there will be an open door policy, directly to the CEO, whenever any employee has concern about potential discriminatory issues, or that affirmative action plans are not being properly implemented. Medganics has a firm belief that employees on the ground are the best source of potential issues.
2. Policy review.  
   a. Annual third-party review. Outside review is appropriate for quality assurance of affirmative actions plans and implementation; and  
   b. Internal review. Quarterly review of job descriptions and hiring practices by Medganics’ Board committee on affirmative action will be conducting to ensure they accurately reflect job functions and adherence to policy, including job descriptions (by department, job title performance criteria);  
   c. Committee evaluation. Selection process will be reviewed to assure adherence to Medganics’ plan throughout, including:  
      i. Job applications and pre-employment forms ensuring job relevance;  
      ii. Creating and updating selection methods so there is no disparate impact, and that job description is consistent with business necessity;  
      iii. Training personnel and management staff on proper interview techniques; and  
      iv. EEO training for management and supervisory staff;
v. EEO training of all non-supervisory employees to assure organizational compliance by all who are part of Medganics.

3. Making job openings and descriptions, setting out our unequivocal adherence to Medganics' affirmative action plan, available to:
   a. Recruiters, particularly those with whom we have developed a relationship, including the veterans organizations set out herein;
   b. All members of management involved in the recruiting, screening, selection and promotion processes;
   c. Colleges; and,
   d. Medganics will seek employees from a, b, and c (above), in the geographic area of each particular dispensary, as it is Medganics' intention to be an integral part of the community in which it does business and hire locally to the extent possible.

4. In order to assist recruitment and increase the flow of minority and female applicants. Medganics currently uses the following actions:
   a. Using the notation of Woman-Owned Business and, the phrase "Equal Opportunity/Affirmative Action Employer" in all printed employment advertisements;
   b. When appropriate, placing help wanted ads in local minority and women's interest media outlets;
   c. Disseminate information on job opportunities to organizations representing minorities, women, and employment development agencies when job opportunities occur;
   d. Encouraging all employees to refer qualified diverse applicants;
   e. Actively recruiting at junior colleges, colleges and universities with emphasis on veteran, minority or female enrollments; and
   f. Request employment agencies to refer qualified minorities and women;

5. Analysis of our statistics to help Medganics perform a self-audit of its compensation practices;

6. Ensuring that all employees are given equal opportunity for promotion. This is achieved by:
   a. Posting promotional opportunities;
   b. Offering counseling to assist employees in identifying promotional opportunities, training and educational programs to enhance promotions and opportunities for job rotation or transfer; and
   c. Evaluating job requirements for promotion.

Internal Audit and Reporting System

The personnel manager has the responsibility for developing and preparing the formal documents of the AAP, as well as, the effective implementation of the AAP; however, responsibility is likewise vested with each department manager and supervisor. Medganics’ audit and reporting system is designed to:

1. Measure the effectiveness of the AAP/EEO program;
2. Document personnel activities;
3. Identify problem areas where remedial action is needed; and
4. Determine the degree to which Medganics' AAP goals and objectives have been obtained.

The following personnel activities are reviewed to ensure nondiscrimination and EEO for all individuals without regard to their race, color, sex, sexual orientation, gender identity, religion, national origin, disability, pregnancy, or any other basis:

1. Recruitment, advertising, and job application procedures;
2. Hiring, promotion, upgrading, award of tenure, layoff, recall from layoff;
3. Rates of pay and any other forms of compensation including fringe benefits;
4. Job assignments, job classifications, job descriptions, and seniority lists;
5. Sick leave, leaves of absence, or any other leave;
6. Training, apprenticeships, attendance at professional meetings and conferences; and
7. Any other term, condition, or privilege of employment.
The following documents are maintained as a component of Medganics’ internal audit process:

1. An applicant flow log showing the name, race, sex, date of application, job title, interview status and the action taken for all individuals applying for job opportunities;
2. Summary data of external job offers and hires, promotions, resignations, terminations, and layoffs by job, sex, and minority group identifications;
3. Summary data of applicant flow by identifying total applicants, minority applicants, and female applicants for each position;
4. Maintenance of employment applications (not to exceed one year); and
5. Records pertaining to Medganics’ compensation system.

Medganics’ audit system includes a quarterly report documenting Medganics’ efforts to achieve its EEO/AAP responsibilities. Managers and supervisors are asked to report any current or foreseeable EEO problem areas and are asked to outline their suggestions/recommendations for solutions. If problem areas arise, the manager or supervisor is to report problem areas immediately to the personnel manager. During quarterly reporting, the following occurs:

1. The personnel manager will discuss any problems relating to significant rejection ratios, EEO charges, etc., with the general manager; and
2. The personnel manager will report the status of the Medganics’ AAP goals and objectives to the general manager. The personnel manager will recommend remedial actions for the effective implementation of the AAP.

Guidelines on Discrimination Because of Race, Creed, Color, Age, Ethnicity, National Origin, Sex, Religion, Pregnancy, Veteran Status, Sexual Orientation, Gender Identity, and Marital Status

It is the policy of Medganics to take affirmative action to ensure that applicants are employed without regard to their race, color, ethnicity, national origin, sex, age, pregnancy, creed, religion or disability (“the enumerated protected classes”). Additionally, beyond that, it is the policy of Medganics to take additional action to ensure that veteran applicants are given special consideration, and that applicants although not protected classes pursuant to current federal law, will not be discriminated against on the basis of sexual orientation, gender identity, or marital status and receive fair consideration for job opportunities. Hereinafter, enumerated protected classes, veterans and sexual orientation, gender identity and marital status classes, will be referred to as “all classes.”

Such action includes, but is not limited to the following employment practices: hiring, promotion, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation and selection for training. Employment practices shall be reviewed to determine whether members of all classes are receiving fair consideration for job opportunities.

1. The policy concerning Medganics’ obligation to provide EEO without regard to all classes will be communicated to all employees via employee handbooks, policy statement and the AAP.
2. Internal procedures have been developed in this program to ensure that Medganics’ obligation to provide EEO without regard to all classes is being fully implemented.
3. Employees are informed at least annually of Medganics’ commitment to EEO for all classes.
4. Recruiting sources have been informed of our commitment to provide EEO for all classes.
5. Job recruitment materials, employee handbooks, and Standard Operating Procedures shall be made available in English, Spanish, and any other language(s) that is determined to be necessary to maintain and improve diversity.
6. Employment records of all employees are reviewed to determine the availability of promotable and transferable employees without regard to all classes.
7. Contacts with civil rights, religious, women’s, veterans, disability, religious, LBGTQ and ethnic organizations will be made for purposes of advice, education, technical assistance and referral of potential employees as necessary to accomplish the purpose of this program.
8. Medganics engages in recruitment activities at educational institutions with substantial enrollments of students from various underrepresented racial, ethnic and/or religious groups, as well as
those with substantial enrollments of female students and those with disabilities, LBGTQ organizations, and those designated as military friendly institutions.

9. Ethnic, civil rights, women's groups, disability, veterans, LBGTQ, and religious media may be used for employment advertising.

10. Reasonable accommodations to the religious observances and practices of employees or prospective employees will be made, unless doing so would result in undue hardship. In determining whether undue hardship exists, factors such as the cost to the company and the impact on the rights of other employees would be considered.

11. Policies regarding leave shall be applied uniformly to all classes of employees. Medganics informs all employees about its leave policy and benefits for family emergencies, parenting leave, and child rearing. Further, Medganics' leave policy, including leave for childbearing, is in compliance with all legal requirements.

12. Medganics treats persons married or unmarried, regardless of sex, equally in all personnel operations and benefits. It does not place employment limitations on women with young children, unless it has the exclusionary policies for men.

13. Physical facilities, including both the interior and the grounds themselves, shall at all times be kept in good condition so as to be accessible in accordance with the Americans with Disabilities Act (ADA).

14. Any and all reasonable accommodations shall be made for employees with disabilities, including but not limited to: seating, desk space, access to restrooms, parking, among other accommodations.

Guidelines on Anti-Harassment

Employees and applicants of Medganics will not be subject to harassment because of their protected class orientation including race, religion, ethnicity, national origin, disability, veteran status, age, sex, sexual orientation, and gender identity nor any combination thereof. Harassment comes in many forms, and includes but is not limited to jokes, comments, physical touching, bullying, exclusion from work-based activities, retaliation, quid pro quo arrangements, among other activities based on membership in a given protected class of individual. At no time shall any such harassment be tolerated by Medganics, and the offending party(ies) shall face discipline up to and including termination of employment.

1. Any employee or applicant who believes that they have been subject to harassment based on their belonging to a protected class should promptly contact a manager in their chain of command, or promptly contact the office of Human Resources for assistance.

2. Employees or applicants may also file a written complaint with the Human Resources office.

3. Retaliation, including intimidation, threat, coercion, or discrimination, against an employee or applicant because they have objected to discrimination, engaged or may engage in filing a complaint, assisted in a review, investigation, or hearing or have otherwise sought to obtain their legal rights under any Federal, State, or local EEO law regarding individuals is prohibited. Any employee or applicant who believes that he or she has been subject to retaliation should contact the Human Resources office.

4. This anti-harassment policy shall be communicated to all employees and managers annually via e-mail, and a notice shall be posted in employee areas of each facility, including a 1-800 number for anonymous reporting, if an employee so desires.

5. Employees will be assured of absolute confidentiality, if requested.

6. An Open Door Policy to all managers, supervisors, and corporate executives for any or all employees who have experienced or observed any violations will be part of Medganics policy.

7. Employees will be provided a direct number to the office of the CEO, in the event that any employee ever believes that they have not received adequate resolution of their complaints through other channels available.

8. Training shall be provided upon hire for each employee, and shall be updated annually, regarding the identification and prevention of harassment to all of Medganics employees.
9. Medganics monitors its environment for the presence of any forms of harassment, intimidation, or coercion and, where warranted, takes corrective action.

Internal Diversity Goals

We are mindful of the fact that the medical marijuana industry does not in all places and aspects accurately reflect the diversity of the communities in which they exist. Given that historically people of color have experienced significantly higher rates of arrest and incarceration than white people despite the fact that they use cannabis at similar if not lower rates than white people, the pool of potential employees and operators is smaller than it otherwise could or should be as restrictions on previous convictions, however unintentionally, disproportionately exclude people of color. Beyond race and ethnicity, the legal cannabis industry is also disproportionately male as well, largely due to cultural reasons. While there are few if any reliable statistics on this issue, we understand this issue from our firsthand experience in the industry and will thus seek to balance this out by making our workplace as accommodating, friendly, and supportive as possible in all aspects so as to attract and retain the best talent we can.

Our goal is to ensure that our workforce, management, and ownership teams are as diverse as possible. To that end, we will set clear guidelines on how to achieve our diversity goals. This begins with ensuring the management team will guide and evaluate Medganics’ progress, with the Human Resources officers, ensuring implementation and compliance.

Given that our CEO, Parker, was a civil rights attorney for over 25 years, this aspect of our operation will be closely and consistently monitored personally by our CEO, who has made it part of her mission to prove that all aspects of civil rights compliance can be 100% successful in this industry.

We, therefore, commit ourselves to ensuring that our employees reflect the diversity of the communities in which we operate. Medganics will hire a corps of employees that statistically reflects the racial and ethnic demographics of the counties in which we operate our facilities, while going to adjoining counties for added staff when appropriate for diversity. Further, we will provide all employee materials such as handbooks and Standard Operating Procedures in both English and Spanish, as well as any other languages that become necessary to include.

Diversity-Oriented Outreach

Medganics’ Director of Community and Diversity Outreach, Nick Palacios, is the son of a Colombian immigrant, and brings far-reaching life experiences to this position. His deep-seated personal beliefs in diversity in the workplace make him the perfect fit for overseeing this part of our operations. Furthermore, Palacios is no stranger to community involvement, having received awards for his past volunteerism, and will develop community service projects for each location for Medganics dispensaries, involving service hours from employees of Medganics, setting up a Foundation, with a set 5% of income that will aid the community. In high school, Palacios has participated in service work his entire life, and is eager to employ those efforts at Medganics, motivating its employees through example and personal commitment.

Palacios has already engaged in a number of outreach initiatives in each of the communities where Medganics plans to locate dispensaries, so that diversity can be maximized within our firm. To that end, we will do the following during the term of our permit:

1. Participate in job fairs and advertise all available job openings in media that is targeted predominantly at underrepresented groups in the medical cannabis industry.
2. Sponsor groups in our local community that represent and advocate on behalf of various racial, ethnic, gender, disabilities, and veterans groups; ensuring sponsorship of at least one group in each category.
   a. Allegheny County, Pittsburgh location.
Pennsylvania Department of Health  
Medical Marijuana Dispensary Permit Application

i. Palacios is working with the Pittsburgh YMCA outreach program, for which Medganics has committed to sponsoring Operation Military Kids, a residential summer camp for the children of the military, run by veterans.

ii. Medganics will also work with the YMCA on its Diversity and Inclusion Committee, encouraging qualified applicants, and providing educational seminars to apply for employment.

iii. Medganics has committed to sponsoring the gala for Variety- The Children’s Charity of Pittsburgh, a nonprofit group, providing new opportunities to children with disabilities.

b. Butler County, Cranberry Township.

i. Beaver county - working with surrounding areas, Big Brothers and Sisters of Beaver County

ii. Victim Outreach Intervention in Cranberry Township

iii. PA Career Link, Butler County

iv. BC3 Veterans Services, Butler County

c. Cambria County, Johnstown.

i. Medganics has communicated with Veterans Community Initiatives in Johnstown to partner with them on projects and employment opportunities for veterans.

ii. Medganics will be working Big Brothers and sisters of Beaver County

3. Partner with groups in our local community, with an expectation of staff participating in community service hours to each’s chosen group, among that 3 or 4 options with which Medganics partners, including the organizations set forth above.

Contracting with Diverse Groups

In keeping with our commitment to diversity, Medganics will seek to contract with as many disadvantaged businesses as possible, and shall aim to have the diversity of our contracts accurately reflect the communities in which we work and the Commonwealth as a whole. It shall be the policy of Medganics to grant contracts to minority-, women-, and veteran-owned businesses as long as that firm can successfully meet or exceed all requirements and specifications for the contract, including but not limited to costs, timetables, and other deliverables. To that end, we will take the following proactive steps to ensure that our contracting opportunities are available to the widest possible audience.

1. To ensure compliance with this goal, we will track all spending with all contracted firms. Included in this tracking will be the number of disadvantaged, minority-, women-, and veteran-owned businesses that have contracts with us, the dollar amount of the contracts, and the percentage of overall contracts and dollars awarded to these businesses as compared to the overall total.

2. Through our network of partner organizations that represent and advocate on behalf of disadvantaged businesses, we will post any and all contracting opportunities so that they may reach these businesses.

3. We will keep an internal database of certified businesses such as minority-, women-, or veteran-owned, near communities we serve, and contracting with them whenever possible. requiring that other elements of affirmative action will be employed with regard to all staffing, without regard to race, color, ethnicity, national origin, sex, age, pregnancy, creed, religion or disability, sexual orientation, gender identity, granting within those elements, a preference for veterans.

Thus far, Medganics has contracted with a women owned security business, DOH REDACTED for provision of transportation and provision of security staff for our dispensaries. We have vendors who will be providing our security supplies best suited to the cannabis business, but have required that they hire locally for all construction, holding to our requirements for non-discriminatory and affirmative action hiring.
Mentoring, Training, and Professional Development

New hires will be required to participate in the Medganics in house educational programs developed by our Director of Pharmacy Services and Education, Jean Dugan, Doctorate in Pharmacy, Philadelphia College of Pharmacy, Board Certified in Pennsylvania. Dugan was among the first of many healthcare professionals to migrate into the cannabis sector, as Director of Education, at Ebbu in Colorado, teaching dispensary employees the pharmacology of cannabis compounds, the potency and bioavailability and impact on various medical conditions. As an adjunct professor for the University of Maryland School of Pharmacy, Dugan provided curriculum on cannabis as medicine.

Additionally, several of Medganics executives and other staff, including Palacios, Wydock, among others, have received Patient Focused Certification from the ASA (Americans for Safe Access) and are currently working with our Medical Director, Dr. Moshe Ben-Roohi, and Dugan to develop an internal educational program for all staff, based upon that program. After Medganics’ employees complete a probationary period of employment, teach of them will be provided the opportunity to have their actual PFC certification training, including course fees, travel costs and housing, paid for by Medganics.

If any of the diverse group of employees needs tutoring assistance or language translation, in order to be successful in completing any of the offered educational programs, those services will be provided from within the company, if available, or with outside consultants or educators, if necessary. No employee will ever be left behind based upon any diverse differences that might otherwise create a barrier to success.

Recording and Reporting on the Components of the Diversity Plan

As mentioned throughout this narrative, recording and reporting will be crucial to maintaining and increasing diversity within our business, to hold ourselves accountable to these goals and values.

Our Human Resources department, under the guidance and supervision of our Chief Executive Officer (CEO), will implement an effective recording and reporting plan that will be transparent, reported at regular intervals, and accessible.

To ensure that we hold ourselves accountable to our diversity plan, we will contract with a third-party organization to conduct regular and unannounced audits of our employment and contracting practices. Selection of this organization will be done in coordination with and with the consent of our community partners to ensure quality.

Part C – Applicant Background Information

(Scoring Method: Pass/Fail)

For this part the applicant is required to provide background and contact information for the principals, financial backers, operators and employees.

Section 4 – Principals, Financial Backers, Operators and Employees

A. Please list all Principals, Financial Backers and Operators

<table>
<thead>
<tr>
<th>Name and Residential Address</th>
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<tbody>
<tr>
<td><strong>First Name: Mary</strong></td>
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<tr>
<td>Occupation: Attorney</td>
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<td>Name and Residential Address</td>
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<td><strong>Also known as:</strong> N/A</td>
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<tr>
<td><strong>First Name:</strong> Nicholas</td>
</tr>
<tr>
<td><strong>Occupation:</strong> Marijuana Industry Consultant</td>
</tr>
<tr>
<td><strong>Also known as:</strong> Nic</td>
</tr>
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<tr>
<td></td>
</tr>
<tr>
<td><strong>First Name:</strong> Samuel</td>
</tr>
<tr>
<td><strong>Occupation:</strong> Chief Strategy Officer at Comprehensive Cannabis Consulting</td>
</tr>
<tr>
<td><strong>Also known as:</strong> Skip</td>
</tr>
<tr>
<td><strong>Date of birth:</strong> DOH REDACTED</td>
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<td></td>
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<tr>
<td><strong>First Name:</strong> Nickolas</td>
</tr>
<tr>
<td><strong>Occupation:</strong> Consultant</td>
</tr>
<tr>
<td><strong>Also known as:</strong> Nick</td>
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</table>
### Name and Residential Address

<table>
<thead>
<tr>
<th>First Name: Harry</th>
<th>Middle Name: Nicholas</th>
<th>Last Name: Parker</th>
<th>Suffix: N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupation: Business Owner</td>
<td>Title in the applicant’s business: Director of Sales</td>
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<td>Also known as: N/A</td>
<td>DOH REDACTED</td>
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</table>

<table>
<thead>
<tr>
<th>First Name: Lucius</th>
<th>Middle Name: Edward</th>
<th>Last Name: Burch</th>
<th>Suffix: III</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupation: CEO and Chairman</td>
<td>Title in the applicant’s business: Financial Backer</td>
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<tr>
<td>Also known as: N/A</td>
<td>Date of birth: DOH REDACTED</td>
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</table>

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**IF MORE SPACE IS REQUIRED, PLEASE SUBMIT ADDITIONAL INFORMATION ON OTHER INDIVIDUALS IN A SEPARATE DOCUMENT TITLED “PRINCIPALS, FINANCIAL BACKERS AND OPERATORS (CONTD.)” IN ACCORDANCE WITH THE ATTACHMENT FILE NAME FORMAT REQUIREMENTS AND INCLUDE IT WITH THE ATTACHMENTS.**

**B. Please list Employees**

PLEASE PROVIDE THE FOLLOWING INFORMATION FOR ANY EMPLOYEES THAT HAVE BEEN HIRED TO DATE TO WORK FOR THE APPLICANT LISTED IN THIS APPLICATION. IF NO EMPLOYEES ARE CURRENTLY EMPLOYED, PLEASE LEAVE THIS SECTION BLANK.
<table>
<thead>
<tr>
<th>Name and Residential Address</th>
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<tbody>
<tr>
<td><strong>First Name:</strong> James</td>
<td><strong>Middle Name:</strong> Phillip</td>
</tr>
<tr>
<td>Occupation: Business Owner</td>
<td>Title in the applicant’s business: CTO</td>
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<tr>
<td>Also known as: N/A</td>
<td><strong>DOH REDACTED</strong></td>
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<thead>
<tr>
<th>Name and Residential Address</th>
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<tbody>
<tr>
<td><strong>First Name:</strong> Moshe</td>
<td><strong>Middle Name:</strong> NMN</td>
</tr>
<tr>
<td>Occupation: Director of Interventional Orthopedics</td>
<td>Title in the applicant’s business: Chief Medical Officer</td>
</tr>
<tr>
<td>Also known as: N/A</td>
<td><strong>DOH REDACTED</strong></td>
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<tr>
<th>Name and Residential Address</th>
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<tbody>
<tr>
<td><strong>First Name:</strong> Jean</td>
<td><strong>Middle Name:</strong> Eleanor</td>
</tr>
<tr>
<td>Occupation: Independent Contractor</td>
<td>Title in the applicant’s business: Director of Pharmacy Services and Education</td>
</tr>
<tr>
<td>Also known as: N/A</td>
<td><strong>Date of birth:</strong> <strong>DOH REDACTED</strong></td>
</tr>
</tbody>
</table>
### Name and Residential Address

<table>
<thead>
<tr>
<th>First Name: Nancy</th>
<th>Middle Name: Marie</th>
<th>Last Name: Quigley</th>
<th>Suffix: MSN, M.Ed., Np-C, ASH-BC, HWNC-BC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupation: Nurse Practitioner and Herbalist</td>
<td>Title in the applicant’s business: Nurse Practitioner</td>
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<tr>
<td>Also known as: N/A</td>
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<table>
<thead>
<tr>
<th>First Name: Steven</th>
<th>Middle Name: N/A</th>
<th>Last Name: Miller</th>
<th>Suffix: CMSP, MSPPharm, DPh, R.Ph</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupation: Pharmacist</td>
<td>Title in the applicant’s business: Pharmacist</td>
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<td>Also known as: N/A</td>
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**Section 5 – Moral Affirmation**

By checking “Yes,” you affirm that each principal, financial backer, operator and employee listed in this permit application is of good moral character.

[Signature]

<table>
<thead>
<tr>
<th>X</th>
<th>Yes</th>
<th>No</th>
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</table>

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Pennsylvania Department of Health
Medical Marijuana Dispensary Permit Application
Section 6 – Compliance with Applicable Laws and Regulations

By checking “Yes,” you affirm that you, as well as the principals, financial backers, operators and employees listed in this permit application are able to continuously comply with all applicable Commonwealth laws and regulations relating to the operation of a medical marijuana dispensary.

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
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<tr>
<td>X</td>
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<td>No</td>
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Section 7 – Civil and Administrative Action

For the statements below:

☐ By checking “Yes,” you affirm the statement

☐ If you check “No,” you must state your reasoning in “Schedule A” below

<table>
<thead>
<tr>
<th>Civil and Administrative Action</th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>The applicant has never responded to an action resulting in sanctions, disciplinary actions or</td>
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<td>civil monetary penalties being imposed relating to a registration, license, permit or any other</td>
<td>X</td>
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<tr>
<td>authorization to grow, process or dispense medical marijuana in any state.</td>
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<tr>
<td>The applicant has never responded to a civil or administrative action relating to a registration,</td>
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<tr>
<td>license, permit or authorization to grow, process or dispense medical marijuana in any state.</td>
<td>X</td>
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<tr>
<td>The applicant has never been accused of obtaining a registration, license, permit or other</td>
<td>X</td>
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<tr>
<td>authorization to operate as a grower, processor or dispensary of medical marijuana in any</td>
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<td>jurisdiction by fraud, misrepresentation, or the submission of false information.</td>
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<tr>
<td>No civil or administrative action has been taken against the applicant under the laws of the</td>
<td>X</td>
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<td>Commonwealth or any other state, the United States or a military, territorial or tribal authority</td>
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<td>relating to a principal, operator, financial backer or employee of the applicant’s profession, or</td>
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<td>occupation or fraudulent practices, including fraudulent billing practices.</td>
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### Schedule A: Civil or Administrative History Incident

<table>
<thead>
<tr>
<th>Defendant</th>
<th>Name of Case &amp; Docket #</th>
<th>Nature of Charge or Complaint</th>
<th>Date of Charge or Complaint</th>
<th>Disposition</th>
<th>Name and Address of the Administrative Agency Involved, and the Tribunal or Court</th>
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NONE

### Part D – Plan of Operation

**(Scoring Method: 550 Points)**

A **Plan of Operation** is required for all dispensary permit applications. The **Plan of Operation** must include a timetable outlining the steps the applicant will take to become operational within six months from the date of issuance of a permit. The plan of operation must also describe how the applicant’s proposed business operations will comply with statutory and regulatory requirements necessary for the continued operation of the facility.

#### Plan of Operation

**What must be covered in a Plan of Operation?**

Applicants must identify how they will comply with relevant laws and regulations regarding:

- Security and Surveillance
- Employee qualifications and training
Pennsylvania Department of Health
Medical Marijuana Dispensary Permit Application

☐ Transportation of medical marijuana and medical marijuana products
☐ Storage of medical marijuana products
☐ Inventory management
☐ Recordkeeping
☐ Prevention of unlawful diversion of medical marijuana and medical marijuana products
☐ A timetable outlining the steps required for the applicant to become operational within six months from the date of issuance of a dispensary permit

By checking “Yes,” you affirm that you are able to continuously maintain effective security, surveillance and accounting control measures to prevent diversion, abuse and other illegal conduct regarding medical marijuana and medical marijuana products.

Section 8 – Operational Timetable

If issued a permit, please describe the steps and timeframes for becoming fully operational as a dispensary within six months from the date of issuance of a dispensary permit. Specifically, please provide the steps you will take to begin the process for the handling, storing, and transporting of medical marijuana and medical marijuana products.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Estimated Date</th>
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Pennsylvania Department of Health
Medical Marijuana Dispensary Permit Application

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If more space is required for the Operational Timetable, please submit additional information in a separate document titled “Operational Timetable (Contd.)” in accordance with the attachment file name format requirements and include it with the attachments.

Section 9 – Employee Qualifications, Description of Duties and Training

A. Please provide a description of the duties, responsibilities, and roles of each principal, financial backer, operator and employee.
1. **Mary Ann Parker, Esq., Chief Executive Officer** - The Chief Executive Officer will be responsible for strategic direction and development of the overall business, including:
   a. Will interact with the Compliance Officer, Chief Operations Officer, Chief Financial Officer, General Counsel, and Administrator to ensure that company directives are being met within set timelines and budgets.
   b. Making personnel decisions.
   c. Guiding and directing department directors and managers to accomplish defined business goals.
   d. Tasked with developing new business from local customers and increasing business done by existing customers.
   e. Must also carry out duties related to the vision of the company and its stakeholders.

2. **Nicholas Todd Easley, Chief Operations Officer** - The Chief Operations Officer will be responsible for overseeing the overall operation of the entire dispensary facility, including its relationships with vendors, employees and the Pennsylvania community. The duties of the Chief Operations Officer will include:
   a. Working directly with the Administration Director, Director of Operations, General Counsel and Compliance Director to manage day-to-day operations.
   b. Guiding manager-level employees in their management of the rest of the team.
   c. Communicating professionally throughout the organization.
   d. Maintaining accountability for the ongoing operation of the dispensary, including record keeping, patient confidentiality, security, IT, facility cleanliness and human resources.

3. **Samuel Joseph “Skip” Sanzeri, Chief Financial Officer** - The Chief Financial Officer will accountable for the administrative, financial, and risk management operations of the dispensary, to include the development of a financial and operational strategy, metrics tied to that strategy, and the ongoing development and monitoring of control systems designed to preserve company assets and report accurate financial results. Other key responsibilities of this position will include:
   a. Participate in key decisions as a member of the executive management team.
   b. Maintain in-depth relations with all members of the management team.
   c. Manage accounting, legal, Human Resources and tax operations as they relate to the company's financial health.
   d. Oversee vendor pricing negotiations and transaction agreements.
   e. Manage any third parties to which functions have been outsourced.
   f. Oversee the company's transaction processing systems.
   g. Implement financial operational best practices.
   h. Oversee employee benefit plans, with particular emphasis on maximizing a cost-effective benefits package.
   i. Supervise acquisition due diligence and negotiate acquisitions if/when appropriate.
4. **James Phillip “Jay” Palmere, Chief Technology Officer** - Responsibilities of the Chief Technology Officer will include:

   a. Delegate duties and tasks within the IT department.
   b. Review completed tasks to ascertain compliance with standards.
   c. Monitor all team members and provide necessary advice and guidance.
   d. Perform periodic risk assessments and initiate risk control strategies.
   e. Organize regular seminars and trainings to teach team members new computer techniques and methods.
      a. Keep up with trends in the constantly evolving information technology industry.
      b. Perform regular IT audit to discover areas of weaknesses and fortify them.
      c. Work alongside other departments to achieve company goals and visions.
      d. Write and forward regular reports to the management.
   e. Provide solutions to any user-level, IT-related challenges in the organization.
   f. Perform regular appraisal of IT systems in conjunction with the Systems Administrator to devise strategies to help with improvement.
   g. Carry out in-depth research to reveal new and better methods of handling functions within the department.
   h. Ensure that the company’s data and information are protected from unauthorized access.

5. **Dr. Moshe Ben-Roohi, M.D., Medical Director** - Responsibilities of the Medical Director will include:

   a. Supervising the operation of the dispensary to ensure that patient health remains the highest priority.
   b. This employee will work closely with the Dispensary Pharmacist in the areas of patient education, communication and strain recommendations specific to ailments that are contained on the list of medical conditions for which marijuana is legal to consume in the state of Pennsylvania.
   c. The Medical Director will provide advice related to the various products that are made available by the dispensary as well as guide dispensary employees in correctly discussing cannabis with retail customers.
   d. Will be expected to participate in the administration of training to be delivered to employees on an as-needed basis.
6. **Steven Joseph Miller, CMSP, MSPharm, DPh, RPh, Dispensary Pharmacist** - Responsibilities of the Dispensary Pharmacist will include:
   
   a. Be on site during all hours of operation
   
   b. Advising the company relative to delivery of superlative medical care and services to company patients.
   
   c. Supporting company-wide education about benefits and side effects of medical cannabis products.
   
   d. Taking initiative in the planning and development of internal and external educational classes.
   
   e. Relaying information about consumption methods and scientific updates in the field of medical cannabis.
   
   f. Ensuring that the highest quality standards are met for all internal inventory.
   
   g. Addressing questions and concerns from patients, such as existing drug interactions.
   
   h. Recommending specific medical marijuana products and/or strains for specific ailments.

7. **Nancy Marie Quigley, Nurse Practitioner** - Responsibilities of the Nurse Practitioner position will include:
   
   a. Functions independently to perform age-appropriate history and physical for complex acute, critical, and chronically ill cannabis patients.
   
   b. As needed, interprets diagnostic and therapeutic tests relative to patient's age-specific needs.
   
   c. Prescribes appropriate pharmacologic and nonpharmacologic treatment modalities, including cannabis-specific approaches to symptom management.
   
   d. Implements interventions to support the patient to regain or maintain physiologic stability, including but not limited to serving in the first assisting role.
   
   e. Assists with the provision of medical care in accordance with facility, state, and federal regulations.
   
   f. Monitors the effectiveness of cannabis use.
   
   g. Facilitates the patient's transition within and between health care settings.
   
   h. Collaborates with multidisciplinary team members by making appropriate referrals.
   
   i. Facilitates staff, patient and family decision making by providing educational tools.
8. **Harry Nicholas Parker, Sales Manager** - The Sales Manager will be responsible for all sales related matters including pricing, merchandising, dispensary displays, special sales promotions and all other sales functions. Other responsibilities of the Sales Manager will include:

   a. Must manage sales assistants, offering guidance and mentorship.
   b. Will be responsible for providing sales reports and performance metrics to the Dispensary General Manager.
   c. Will interface with the controller, administrator and administration director to ensure all sales practices are in line with compliance regulations and company SOP’s.

B. **PLEASE DESCRIBE THE EMPLOYEE QUALIFICATIONS OF EACH PRINCIPAL AND EMPLOYEE.**

**Mary Ann Parker, Esq., Chief Executive Officer**

Mary Parker, MEDGANICS CEO, brings a wealth of unique experience to her position. She has been the chief executive officer for her firm, Parker & Crofford, for the past 30 years. During that time, she also was an active member, sitting on the Board, serving as an executive officer for 5 years, and ultimately being elected President of Public Justice (f/k/a TLPJ). As the President/CEO of the non-profit national public interest law firm, she managed the multi-million-dollar annual budget, as well as overseeing its litigation efforts. On behalf of TLPJ, she served as lead counsel in a highly technical and scientific Clean Water Act case (TEC v. Dana Corp), which involved her immersion in scientific data, coordinating scientific research, testing and presentation. The TEC case was one of the largest environmental cases in the southeast, setting the standards for corporate compliance with regulations in clean water. Throughout her legal career, she has taken on significant cutting edge issues involving engineering, medical research and scientific analysis. She is well suited for managing the rigorous compliance and auditing requirements of MEDGANICS as well as managing the scientific operations.

Mary Parker is a lifetime member of the National Cannabis Bar Association (NCBA). She is from Oil City, PA graduating from Venango Christian High School, and subsequently obtaining degrees from the University at Buffalo School of Management and the University of Tennessee School of Law. Mary is eager to spend far more of her time in her home state as an executive of MEDGANICS and its in-house counsel, responsible for all legal issues and compliance. During her stellar 30+ years at the Bar, she received numerous honors and accolades, among them: being featured as one of the nation’s 10 top litigators by the National Law Journal. She holds the AV rating by Martindale-Hubbell, which is the gold standard in the legal world for lawyers possessing the highest ethical standards and professional ability, as judged by the judiciary and other members of the Bar.

During her career, Parker held a post as an assistant district attorney in the 21st Judicial District of Tennessee, with more than 50% of her case assignments being drug-related charges. She saw first-hand the devastation to lives and families caused by illicit drug use, and is adamant about implementing medicinal use of marijuana within the strictest of standards.

Parker now directs a significant portion of time, legal talents and energies to the world of medical cannabis law. Over the past year, she has concentrated on working with lawmakers drafting expanding legislation, researching comparative marijuana laws, and advising MEDGANICS. She will assure constant adherence to all legal requirements and compliance, from first shovel of dirt to construction completion, and from seed to sale of all products.
**Nicholas Todd Easley, Chief Operations Officer**

Nic has been working in the medical marijuana industry since it became legal in Colorado. His degree in Environmental Studies informs the scientific and holistic perspective he brings to the medical marijuana industry. In addition, Nic brings more than a decade of direct experience working in the agricultural industry - doing fieldwork with Rocky Mountain Biological Laboratory, while also farming his own 35 acre organic farm.

Over the years, Nic has advised more than 75 clients with their medical marijuana businesses, providing guidance for industrial projects and turnkey cultivation, crop analysis and operations management, in addition to distribution, marketing and ongoing business development and management strategies. He also provides expert guidance through participation in industry committees and organizations such as the Colorado Department of Agriculture cannabis pesticide workgroup, and to help set the standards to ensure responsible and sustainable conduct by cultivators and distributors.

Nic founded Comprehensive Cannabis Consulting (3C) to help clients thrive within this fast-paced and ever-changing industry. 3C’s socially and environmentally responsible practices consistently yield high-quality, organic medical marijuana at a much lower cost when compared to their competitors who solely seek monetary gain. Nic’s mission is to set the highest standards and create the best practices for sustainable, long-term medical marijuana businesses.

**Samuel Joseph “Skip” Sanzeri, Chief Financial Officer**

Skip Sanzeri, head of corporate development for 3C, is responsible for company branding, PR, marketing and partnerships. Recently, Skip raised capital for , a medical marijuana sensor company, and he spearheaded the effort to take the company public. Skip is a Silicon Valley entrepreneur who, throughout his career, has helped a variety of startups launch, grow and exit. Skip started his entrepreneurial career at an early age and has funded and launched a few of his own companies, including founding and funding the first open source strategy firm – Open Source Group. Skip earned his bachelor’s degree from Claremont McKenna College and his Master’s degree in Public Administration from the College of Notre Dame.

**James Phillip “Jay” Palmere, Chief Technology Officer**

Jay received a Bachelor of Arts in Business Administration with concentrations in Business Economics and Finance from the Albers School of Business at Seattle University, and was chapter President of Gamma Omega chapter of Alpha Kappa Psi and coordinated chapter activity as an undergrad. Jay received a Master of Arts degree in Humanities from the University of Chicago, and used it to teach History of Western Thought, Academic Reading and Writing, and Principles of Microeconomics at Calumet College of St. Joseph over the last year. Jay is currently Chief Financial Officer of Compliant Cannabis, where he currently provides Business Process Model and Notation (BPMN) expertise alongside enterprise-grade resource planning skills to meet the unique and complex needs of the legal cannabis industry. He joined Compliant Cannabis in 2015, whose mission is to provide real-time inventory management from seed to sale, automating inventory reconciliation and compliance reporting, as well as optimizing operational excellence with real-time, data-driven insights. Compliant Cannabis makes high tech affordable by providing cloud-based software solutions as a monthly subscription service, a.k.a. Software-as-a-Service and Platform-as-a-Service. Jay's proven skills applying logical systems to the often disorganized world of the nascent cannabis industry through his special expertise in business process management and enterprise resource planning helps him provide the best of breed technology to MEDGANICS.
Dr. Moshe Ben-Roohi, M.D., Medical Director

Moshe Ben-Roohi, M.D. specializes in advanced non-surgical orthopedics and regenerative treatments for sports injuries, degenerative joint disease, and conditions of the spine. He works with clients who have tried everything else and failed and with professional athletes looking to improve their game. He is double board certified in both Physical Medicine and Rehabilitation, and in Pain Medicine. He obtained his medical degree at Tel-Aviv University’s Sackler School of Medicine and completed his residency at NYU Medical Center and Hospital for Joint Diseases where he served as Chief Resident. After residency he completed a fellowship in Pain and Interventional Orthopedics. Dr. Ben-Roohi maintains his role in academic medicine through his continued pursuit of ongoing research. He has published numerous scientific papers in PM&R and other peer reviewed journals. He is a frequent speaker on the subjects of Sports Medicine, Pain Management and Regenerative Orthopedics. Dr. Ben-Roohi is a member of the Spine Intervention Society (ISIS), American Academy of Orthopedic Medicine (AAOM), Institute for Functional Medicine (IFM) and the American Academy of Physical Medicine and Rehabilitation (AAPMR). Dr. Ben-Roohi earned his M.D. from Tel Aviv University in Israel, and his B.A. in both Anthropology and Biology from University of California, Santa Cruz.

Steven Joseph Miller, CMSP, MSPharm, DPh, RPh, Dispensary Pharmacist

Steven J. Miller, CMSP, MSPharm, DPh, RPh, is president of SJM Enterprises, a multi-faceted consumer-response organization, specializing in workers’ compensation issues, Medication Set Aside programs, formulary review and analysis, provider intervention, medication therapy management, and managed care pharmaceutical reimbursement issues. He is a clinical pharmacist with many years of experience in managed care workers’ compensation, Medicare, and Medicaid pharmacy consulting. He is also a part-time dispensing pharmacist with Walgreens. He has served in several capacities with many types of managed care organizations, and has made numerous regional and national presentations on issues such as medication issues for the elderly, cost-effective drug therapies, and pharmaceutical benefit management, for more than 30 years. He currently serves on several pharmaceutical advisory boards and on the editorial advisory board of ODG/ODG Treatment publication from the Work Loss Data Institute. He graduated from the University of Iowa with his B.S. in Pharmacy, and his M.S. from the University of Maryland.
Nancy Marie Quigley, Nurse Practitioner

Nancy Quigley is a board-certified integrative nurse practitioner/herbalist and entrepreneur. She attended Boston College for her undergraduate degree in nursing and Tennessee State University for her master’s degree in nursing. She holds a second master’s degree in exercise physiology from Boston University. She worked in corporate wellness, community health, and personal training/health coaching for ten years. As a business entrepreneur she operated a company that supplied media products to Nashville’s music industry. During those 18 years she grew her business into the region’s leading supplier of audio media until it was acquired by one of its vendors leaving her free to bring this business skillset back into the healthcare world to make a difference.

Nancy studied herbal medicine with the renowned physician/herbalist Dr. Tieraona Low Dog. The knowledge gleaned has been invaluable in the application of creating herbal formulations and using herbal medicine in practice from plants grown organically on her farm outside of Nashville. Diving into cannabis medicine was a natural progression for Nancy with her passion for plant medicine. She has gone on to become an elected member of the Nominating Committee with the American Cannabis Nurses Association (ACNA) and a member of the research and education committee. Her belief in the power of this medicine was further enhanced from the opportunity in which she shadowed the cannabis physician, Dr. Uma Dhanabalan for a short time in Massachusetts. Currently, Nancy is in her second year as a hemp farmer and processor in Tennessee. This is a pilot program that is incorporated with the cannabinoid/botanical medicine program at Middle Tennessee State University.

Harry Nicholas Parker, Sales Manager

Harry Parker owns and operates his own small business in Seneca, PA. Parker Furniture and Carpet produces annual revenues of $1 million to $2.5 million and employs a staff of 9 salespeople. He earned his B.S. in Business Administration from Michigan State University.

C. Please describe the steps the applicant will take to assure that each principal and employee will meet the two-hour training requirement under the Act and regulations.
1. Per § 1141.48 Training, prior to commencing operations of the dispensary, every principal will undergo a two-hour training course. This course will have been developed by the Pennsylvania Department of Health, and it will be administered by representatives or employees of the Department of Health in accordance with their guidelines and course curriculum.
   a. Within 90 days of beginning work for the dispensary, every employee will be required to take the two-hour training course developed and administered by the Pennsylvania Department of Health. Employees who have not completed the required training within the initial 90 day period of employment will not be eligible to work until the training has been successfully completed.
   b. Records or certificates of training completion will be stored both physically and electronically in the files of all employees and principals. These records will be available for inspection whenever requested by the Department of Health and/or their designees.
   c. There may be fees and travel costs related to training that will be incurred by principals and employees. Any of these training or travel related fees incurred by principals or employees will be reimbursed by the company.

If more space is required for any of the above three components of Section 9 (A, B and C), please submit additional information in a separate document titled “Employee Qualifications, Description of Duties and Training (Cont’d.)” in accordance with the attachment file name format requirements and include it with the attachments.

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<th>D. Licensed Medical Professionals at Facility</th>
<th>Yes</th>
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<td>A physician or a pharmacist will be present at the primary dispensary location listed in this permit application at all times during the hours the primary dispensary facility is open to dispense or to offer to dispense medical marijuana to patients and caregivers.</td>
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<td>If the applicant is operating any dispensaries in addition to the primary dispensary location listed under the permit, and a physician or pharmacist is not present onsite at the additional dispensary or dispensaries, a physician assistant or a certified registered nurse practitioner will be present onsite at each of the other dispensaries instead of a physician or pharmacist.</td>
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<td>Any physician, pharmacist, physician assistant or certified registered nurse practitioner employed by a dispensary will, prior to assuming any duties at the dispensary facility, successfully complete a four-hour training course developed by the Department.</td>
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Pennsylvania Department of Health
Medical Marijuana Dispensary Permit Application

Please provide an explanation of any responses above that were answered as a “No” and how you will meet these requirements by the time the department determines you to be operational under the Act and regulations:

Please limit your response to no more than 5,000 words.

Section 10 – Security and Surveillance

A dispensary must have security and surveillance systems, utilizing commercial-grade equipment, to prevent unauthorized entry and to prevent and detect diversion, theft, or loss of any medical marijuana or medical marijuana products.

Please provide a summary of your proposed security and surveillance equipment and measures that will be in place at your proposed facility and site. These measures should cover, but are not limited to, the following: general overview of the equipment, measures and procedures to be used, alarm systems, surveillance system, storage, recording capability, records retention, premises accessibility, and inspection/servicing/alteration protocols.

Please limit your response to no more than 5,000 words.
Section 11 – Transportation of Medical Marijuana

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<th>A. Transportation</th>
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<td>By checking “Yes,” you affirm that any delivery of medical marijuana to any other medical marijuana organization or approved laboratory within the Commonwealth will adhere to the following:</td>
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<td>If you check “No” to any statement, you must state the reasoning for doing so at the end of this section. If issued a permit, you must be able to affirm each statement by the time the Department determines you to be operational under the Act and regulations.</td>
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- □ Medical marijuana will only be delivered between 7 a.m. and 9 p.m. X □
- □ Medical marijuana will not be transported to any location outside of this Commonwealth. X □
- □ A global positioning system will be used to ensure safe, efficient delivery of the medical marijuana to a medical marijuana organization. X □

In addition to having a transport vehicle staffed with a delivery team consisting of at least two individuals, the applicant affirms the following:

- □ At least one delivery team member will remain with the vehicle at all times that the vehicle contains medical marijuana. X □
| ☐ | Each delivery team member shall have access to a secure form of communication with the dispensary, such as a cellular telephone, at all times that the vehicle contains medical marijuana. | X | ☐ |
| ☐ | Upon demand, each delivery team member shall produce an identification badge or card to the Department or its authorized agents, law enforcement or other Federal, State, or local government officials if necessary to perform the government officials’ functions and duties. | X | ☐ |
| ☐ | Each delivery team member will have a valid driver’s license. | X | ☐ |
| ☐ | While on duty, a delivery team member will not wear any clothing or symbols that may indicate ownership or possession of medical marijuana. | X | ☐ |
| ☐ | Medical marijuana stored inside the transport vehicle may not be visible from the outside of the transport vehicle. | X | ☐ |
| ☐ | A delivery team shall proceed in a transport vehicle from the dispensary, where the medical marijuana is loaded, directly to the medical marijuana organization, where the medical marijuana is unloaded, without unnecessary delays. Notwithstanding the foregoing, a transport vehicle may make stops at multiple facilities, as appropriate, to deliver medical marijuana. | X | ☐ |
| ☐ | Any vehicle accidents, diversions, losses, or other reportable events that occur during transport of medical marijuana must be immediately reported to the Department either through a designated phone line established by the Department or by electronic communication with the Department in a manner prescribed by the Department. | X | ☐ |
| ☐ | The Department shall be notified daily of the dispensary’s delivery schedule, including routes and delivery times, either through a designated phone line established by the Department or by electronic communication with the Department in a manner prescribed by the Department. | X | ☐ |
| ☐ | A transport vehicle is subject to inspection by the Department or its authorized agents, law enforcement or other Federal, State or local government officials if necessary to perform the government officials’ functions and duties. | X | ☐ |
Pennsylvania Department of Health  
Medical Marijuana Dispensary Permit Application

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A transport vehicle may be stopped and inspected along its delivery route or at any medical marijuana organization.

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If a third-party contractor is used, the contractor must comply with all the transportation requirements listed in the Act and regulations.

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<th>B. Transport Manifest</th>
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By checking “Yes” to any statement, you affirm that the transport manifest (printed or electronic) that accompanies every transport vehicle will contain the following information and meet the following requirements:

If you check “No” to any statement, you must state the reasoning for doing so at the end of this section. If issued a permit, you must be able to affirm each statement by the time the Department determines you to be operational under the Act and regulations.

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The name, address and permit number of the medical marijuana organization receiving the delivery, and the name of and contact information for a representative of the medical marijuana organization.

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The quantity, by weight or unit, of each medical marijuana harvest batch, harvest lot or process lot contained in the transport, along with the identification number for each harvest batch, harvest lot or process lot.

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The date and approximate time of departure.

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The date and approximate time of arrival.

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The transport vehicle’s make, model, and license plate number.

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The identification number of each member of the delivery team accompanying the transport.

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When a delivery team delivers medical marijuana to multiple medical marijuana organizations, the transport manifest must correctly reflect the specific medical marijuana in transit; each recipient will also provide the dispensary with a printed receipt for the medical marijuana received.
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☐ All medical marijuana being transported must be packaged in shipping containers and labeled in accordance with §§ 1151.34 and 1161.28 (relating to packaging and labeling of medical marijuana; and labels and safety inserts).

☐ Separate copies of the transport manifest will be provided to each recipient receiving the medical marijuana product described in the transport manifest. To maintain confidentiality, a dispensary may prepare separate manifests for each recipient.

☐ The applicant acknowledges that, upon request, a copy of the printed transport manifest, and any printed receipts for medical marijuana being transported, will be provided to the Department or its authorized agents, law enforcement, or other Federal, State, or local government officials if necessary to perform the government officials’ functions and duties.

<table>
<thead>
<tr>
<th>Please provide an explanation of any responses above that were answered as a “No” and how you will meet these requirements by the time the department determines you to be operational under the Act and regulations:</th>
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<tr>
<td>Please limit your response to no more than 5,000 words.</td>
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C. Please describe your plan regarding the transportation of medical marijuana and medical marijuana products. For example, explain whether you plan to maintain your own transportation operation as part of the facility operation, or whether you will use a third-party contractor. If you choose to use your own transportation operation, please provide the number and type of vehicles that will be used to transport medical marijuana and medical marijuana products, the training that will be provided to employees that will transport medical marijuana and medical marijuana products, and any additional measures you will take to prevent diversion during transport. If you will be using a third-party contractor for transporting medical marijuana and medical marijuana products, please explain the steps you will take to guarantee the third-party contractor will be compliant with the transportation requirements under the Act and regulations:

Please limit your response to no more than 5,000 words.
DOH REDACTED
Section 12 – Storage of Medical Marijuana

A. Storage Requirements

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
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<tr>
<td>By checking “Yes” to any statement, you affirm that the plan of operation will address the below statements:</td>
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<tr>
<td>If you check “No” to any statement, you must state the reasoning for doing so at the end of this section. If issued a permit, you must be able to affirm each statement by the time the Department determines you to be operational under the Act and regulations.</td>
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<tr>
<td>☐ There will be separate, locked, limited access areas for the storage of medical marijuana that is expired, damaged, deteriorated, mislabeled, contaminated, recalled, or whose containers or packaging have been opened or breached, until the medical marijuana is returned to a grower/processor, destroyed or otherwise disposed of, as required by § 1151.40 (relating to the management and disposal of medical marijuana waste).</td>
<td>X</td>
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<td>☐ All storage areas will be maintained in a clean and orderly condition and free from infestation by insects, rodents, birds, and pests.</td>
<td>X</td>
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<tr>
<td>☐ A separate and secure area for temporary storage of medical marijuana that is awaiting disposal will be established.</td>
<td>X</td>
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**PLEASE PROVIDE AN EXPLANATION OF ANY RESPONSES ABOVE THAT WERE ANSWERED AS A “NO” AND HOW YOU WILL MEET THESE REQUIREMENTS BY THE TIME THE DEPARTMENT DETERMINES YOU TO BE OPERATIONAL UNDER THE ACT AND REGULATIONS:**

Please limit your response to no more than 5,000 words.
B. PLEASE DESCRIBE YOUR PLANS REGARDING THE STORAGE OF MEDICAL MARIJUANA AND MEDICAL MARIJUANA PRODUCTS WITHIN YOUR FACILITY:

Please limit your response to no more than 5,000 words.
Section 13 – Labeling of Medical Marijuana Products

A. Labeling Requirements

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>By checking “Yes” to any statement, you affirm that the applicant will implement a quality control process to ensure that the label does not bear any of the following:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If you check “No” to any statement, you must state the reasoning for doing so at the end of this section. If issued a permit, you must be able to affirm each statement by the time the Department determines you to be operational under the Act and regulations.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Any resemblance to the trademarked, characteristic or product-specialized packaging of any commercially available food or beverage product.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>☐ Any statement, artwork or design that could reasonably lead an individual to believe that the package contains anything other than medical marijuana.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>☐ Any seal, flag, crest, coat of arms, or other insignia that could reasonably mislead an individual to believe that the product has been endorsed, manufactured, or approved for use by any State, county or municipality or any agency thereof.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>☐ Any cartoon, color scheme, image, graphic or feature that might make the package attractive to children.</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>
PLEASE PROVIDE AN EXPLANATION OF ANY RESPONSES ABOVE THAT WERE ANSWERED AS A “NO” AND HOW YOU WILL MEET THESE REQUIREMENTS BY THE TIME THE DEPARTMENT DETERMINES YOU TO BE OPERATIONAL UNDER THE ACT AND REGULATIONS:

Please limit your response to no more than 5,000 words.

B. PLEASE DESCRIBE YOUR PROCESS FOR CREATING AND MONITORING THE LABELING USED FOR MEDICAL MARIJUANA PRODUCTS:

Please limit your response to no more than 5,000 words.
Pennsylvania Department of Health
Medical Marijuana Dispensary Permit Application

DOH REDACTED
### Section 14 – Inventory Management

<table>
<thead>
<tr>
<th>A. Electronic Tracking System</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>You acknowledge that you must use the electronic tracking system prescribed by the Department containing the requirements in section 701 of the Act (35 P.S. § 10231.701).</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>You acknowledge that an electronic tracking system that is approved by the Department will be deployed to log, verify and monitor the receipt of medical marijuana product from a grower/processor, the verification of the validity of an identification card presented by a patient or caregiver, the dispensing of medical marijuana product to a patient or caregiver, the disposal of medical marijuana waste and the recall of defective medical marijuana.</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>
### B. Inventory Management

By checking “Yes” to any statement, you affirm that each dispensary will maintain the following inventory data in its electronic tracking system:

If you check “No” to any statement, you must state the reasoning for doing so at the end of this section. If issued a permit, you must be able to affirm each statement by the time the Department determines you to be operational under the Act and regulations.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical marijuana received from a grower/processor.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Medical marijuana dispensed to a patient or caregiver.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Damaged, defective, expired, or contaminated medical marijuana awaiting return to a grower/processor or awaiting disposal.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Inventory controls and procedures will be established for the conducting of monthly inventory reviews and annual comprehensive inventories of medical marijuana at the facility.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>The written or electronic record will include the date of the inventory, a summary of the inventory findings, and the employee identification numbers and titles or positions of the individuals who conducted the inventory.</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

**Please provide an explanation of any responses above that were answered as a “No” and how you will meet these requirements by the time the Department determines you to be operational under the Act and regulations:**

Please limit your response to no more than 5,000 words.

### C. Please describe your approach regarding the implementation of an inventory management process. This approach must also include a process that provides for the recall of medical marijuana products and the management of medical marijuana product returns from you to the originating grower/processor:
DOH REDACTED
Section 15 – Diversion Prevention

A. PLEASE PROVIDE A SUMMARY OF THE PROCEDURES THAT YOU WILL IMPLEMENT AT EACH PROPOSED FACILITY FOR THE PREVENTION OF THE UNLAWFUL DIVERSION OF MEDICAL MARIJUANA AND MEDICAL MARIJUANA PRODUCTS, ALONG WITH THE PROCESS THAT WILL BE FOLLOWED WHEN EVIDENCE OF THEFT/DIVERSION IS IDENTIFIED:

Please limit your response to no more than 5,000 words.
DOH REDACTED
Pennsylvania Department of Health
Medical Marijuana Dispensary Permit Application

Section 16 – Sanitation and Safety

A. PLEASE PROVIDE A SUMMARY OF THE INTENDED SANITATION AND SAFETY MEASURES TO BE IMPLEMENTED AT EACH PROPOSED FACILITY LISTED IN THE PERMIT APPLICATION. THESE MEASURES SHOULD COVER, BUT ARE NOT BE LIMITED TO, THE FOLLOWING: A WRITTEN PROCESS FOR CONTAMINATION PREVENTION, PEST PROTECTION PROCEDURES, MEDICAL MARIJUANA PRODUCT HANDLER RESTRICTIONS, AND HAND-WASHING FACILITIES.

Please limit your response to no more than 5,000 words.

Introduction

Medganics considers itself a steward of healthy living, serving patients and protecting employees. For this mission to be lived out, Medganics will commit itself to a comprehensive strategy of staff and product sanitation, while maintaining the safety of our dispensary and the patients of the Commonwealth. This strategy includes: procedural ensurance of strict sanitary policies and processes; holistic, site-wide appraisal of operational cleanliness; and, detailed, granular SOPs for daily sanitation compliance and best practices.

Overview of Dispensary Sanitation and Safety

By adhering to a public health goal of providing needing patients of the Commonwealth with the safe and effective medicine they need, Medganics commits itself to extremely high levels of dispensary sanitation, both to meet Department guidance as required by §1161.34, and to meet the high operational standards of Medganics’s stakeholders.

To maintain exceptionally high levels of sanitation, safety, and cleanliness at Medganics, we will create and train towards Standard Operating Procedures (SOPs) that ensure contamination prevention and ensure that the Department stipulated cleaning procedures are closely followed.

Medganics’s dispensary facilities must be safe and sanitary places for our patients to visit and our employees to work at all times. To that end, we will train towards and enforce the following set of rules, procedures and guidelines. These policies and processes are considered intractable and must be followed at all times by all employees and supervisors, ensuring that we remain in full compliance as per §1161.34. The monitoring and control of sanitation standards and policies include daily, weekly, monthly, and semi-annual procedures, ensuring ongoing safety and sanitary conditions. In addition to these regular appraisals of overall site cleanliness, our staff will be trained to consistently carry out a number of critical, ongoing tasks to ensure that Medganics maintains a high level of attention to site sanitation on a continuous basis. Lastly, a number of trivial, daily tasks are monitored and completed to ensure the consistency of cleanliness at Medganics across time.

Furthermore, Medganics intends to create an environment that actively discourages the use of the medical marijuana-derived products on-site at the dispensary. Signage will be conspicuously displayed so that the intention of the dispensary model is clear, so that rules and regulations are easy to follow. Sales associates will remind patients to not unseal any containers until in an appropriate area. Any demonstrations of how to best use the products being sold, for example, how to activate an electronic vaporizer or utilize an oral syringe, will be completed with medical devices devoid of any medical marijuana-derived products.
Dispensary Safety Policies and Procedures

DOH REDACTED

ADA Access Policy

Medganics is working constantly to improve the quality of life of our patients by providing safe access to effective medicine. This approach also extends to our facility design philosophy, which emphasizes ADA access as a matter of priority. Any time we can make a process more accessible for patients, from physical modifications to the dispensary, to digital modifications to our information systems, Medganics is committed to providing comfortable, dignified access. For example, our use of tablet device that contains multiple web-based solutions enable mobility-impaired patients who may be sitting in a wheelchair to be unencumbered by the point of sale and information sharing process. Being able to hand relevant data to the customer directly over the counter is a dignifying and thoughtful gesture that Medganics will be able to provide, and seeks to replicate across the facility.

Dispensary Sanitation Training and Maintenance Strategy

By structurally building our staff’s SOPs around sanitation concerns, we can ensure that high levels of cleanliness are maintained without interrupting or derailing other operational processes. We achieve this high level of site sanitation by ensuring that all operations adhering the Contamination Prevention policies; additionally, we will issue a highly detailed and exacting set of SOPs that ensure cleaning procedures are carried out in a timely and consistent manner.

At all times, there will be at least one staff member on-site that is trained in both CPR, the location and operation of our Automated External Defibrillator (AED), and the location and operation of CPR tools such as face masks or shields to ensure the safety of the rescuer administering aid. As such, all Medganics retail supervisors will be required to keep current a CPR and AED certification through provided training courses.

Contamination Prevention

Medganics stands behind the quality and efficacy of every single one of the medical marijuana products we will be dispensing to our patients and caregivers. While it begins with selecting only products made to the highest standards and with the patient’s needs first in mind, we bear the responsibility for ensuring that it stays safe to consume while it is still in our hands. As such, we must ensure that nothing about our dispensary facilities could possibly contribute to the contamination or adulteration of any product we sell. To ensure that, we are putting in place the following guidelines to be followed at all times by employees and managers.
In the event a contamination does occur, either discovered on-site or by a patient, Medganics will immediately inform the Department, the supplying G/P, and any other necessary parties, as per §1161.38.

**Cleaning Procedures**

As previously stated, Medganics will follow a series of standardized safety and sanitation protocols, evaluated and updated on a regular basis. All cleanings shall be properly documented by the responsible employee with the date and times recorded along with any relevant notes.

All products for sale that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of microorganisms or other bio-contaminants. This includes, but is not limited to, refrigeration at proper temperatures, shielding from direct light, and preventing exposure to air.

**Daily Cleaning Procedures**

To carry out these goals, Medganics will implement the following set of cleaning procedures:

1. Visually inspect all areas for any types of debris or paper. Pick these items up and dispose of them properly.
2. Vacuum up any dirt or debris that can't be removed by hand. Quickly and efficiently vacuum up around office the dispensary common areas.
3. If there are any spots or stains on the carpets, floors, walls, furniture or baseboards immediately wipe those up. Then follow up with a portable spotter to remove the stain and chemical.
4. Empty trashcans and replace garbage bags in all areas. Clean the trashcan and surrounding area if necessary.
5. Check pest traps for pests and remove as necessary, disposing of the remains in a sanitary manner sealed in their own trash bags and disposing in the dumpster. At no time will pest remains be allowed to be dumped inside the building.
6. Ensure products for sale and/or for disposal are being stored in the proper manner according to their type and to any and all applicable rules, regulations, and laws.

**Weekly Cleaning Procedures**

1. Dust all surfaces, including desks, filing cabinets, walls and shelves.
2. Wipe down desks, telephones, calculators, and computer keyboards thoroughly using a disinfectant spray that has been sprayed on a micro fiber cloth or a disinfecting wipe.
3. Wipe down heating vents, ledges, door jambs and window sills at any easily reachable level.
4. Dust mop all tiled or hard surface floors, then sweep up that debris into dustpan.
5. Wet mop all hard floor surfaces following step by step instructions.
6. Vacuum all carpeted floors, starting with the mats and runners.
7. Visually inspect all areas for evidence of pests, including droppings.
8. Discard of any and all expired food from employee break rooms.
Monthly Cleaning Procedures

1. Clean wall-mounted units such as paper towel dispensers and hand dryers with a disinfectant spray or wipe. Paying special attention to all fixtures and items in the restroom, all the while following procedures.
2. Wipe down all vertical surfaces in the area with an all-purpose cleaner.
3. Spray buff hard surface floors. The spray procedures will be used with a low speed floor buffer. The burnishing procedures will be best utilized with a high-speed burnisher. If the hard floor surfaces are particularly dirty, then start with scrubbing the floors with a low speed buffer.
4. Polish tables, chairs, and any other wood objects by using a furniture polish to help maintain a professional shine.
5. Dust or vacuum all vents, overhead circular fans, and behind hard to reach areas like tables and desks.
6. Clean all windows with a glass cleaner to remove all marks and fingerprints.

Semi-Annual Cleaning Procedures

1. Strip and recoat any tiled floors to remove scuffmarks and any imperfections in the finish. This will also make it extremely durable for long periods of time, extending the time between additional stripping and re-coatings.
2. Spray buff or burnish the floor immediately to make the finish "pop" as much as possible.
3. Institute a burnishing program to prolong the life of the floor, as well as maintaining its appearance at all times of the year.
4. Extract all carpeting, runners, mats and upholstery following carpet-extracting instructions. For any heavily soiled areas, or traffic pattern areas, follow bonneting instructions.

Site Sanitation

In addition to Medganics's training and staff maintenance strategies with respect to keeping the cleanest dispensary possible, we will take a firm approach to standardized approaches to site cleanliness writ large; different staff actions will be orchestrated to achieve efficient waste removal, adequate cleaning of the site's physical surfaces, and ensuring that the actions of our entire operation prevent and deter incidence of pests, as per §1161.33 and 1161.34.

Waste Removal

Floors, Walls and Ceilings
The floors, walls, and ceilings in every room of Medganics are constructed in such a manner that they are able to be adequately cleaned and kept in good repair. The flooring of our dispensary will be slip-resistant, with a wear layer made of mineral aggregate with saturated glass fiber backing underneath. This type of flooring will not only minimize safety issues such as slippage, but given the insolubility and stain-resisting properties of the material, it will make cleanup easy to complete as liquids, stains, and litter are easy to spot and cannot be absorbed. Where appropriate, there will be floor runners made of corrugated vinyl along high-traffic routes to further minimize the possibility of slippage. Such precautions will keep Medganics clean and will keep the rate of staff accidents low.

The walls of our Medganics will be painted and finished in such a way to enhance the ability to clean and maintain them as necessary. To minimize the need for cleaning and maintenance, as much of the walls as possible shall be covered with both functional and aesthetic fixtures such as displays, shelving, framed pictures, and other similar items. To prevent these fixtures from becoming safety hazards, all fixtures attached to walls will be attached in such a way so as to make them immovable unless one has the proper tools to do so. These fixtures will be cleaned on a regular basis to prevent the buildup of dust and other debris. Should maintenance issues such as holes, chips, or anything else that could expose people to a hazard appear, the employee who notices this shall be required to immediately report the issue to their supervisor, and said supervisor shall make any and all arrangements necessary to make adequate repairs at the earliest possible time.

Ceilings are all of an appropriate height for a retail operation in accordance with all building and zoning requirements. They will also be constructed in such a way to prevent fixtures, tiles, or anything else from coming loose and falling. A designated employee shall at regular intervals visually inspect all ceilings throughout the facility for obvious signs of wear, water damage, or other potential problems, and shall report their findings to their supervisor who shall make any and all arrangements necessary to make adequate repairs at the earliest possible time.

**Integrated Pest Management**

Protection against pests will be of the utmost priority for Medganics, as they are the biggest and most dangerous potential source of contamination. Using integrated pest management (IPM) techniques and practices, which employ both chemical and nonchemical measures, will minimize the possibility of infestations. Best practices for integrated pest management come from the U.S. Green Building Council, which recommends the following protocol: 1) Create an integrated pest management team. 2) Employ Standard Operating Procedures (SOPs) and implementation strategies 3) A protocol for removing and disposing of pests 4) The criteria that must be met when the least toxic method cannot be applied.

The IPM team shall consist of the dispensary management team, a reliable pest control vendor, and the team of employees who will be the first to report issues. The responsibility of each are clearly delineated: The dispensary management team will ensure the IPM plan is properly executed, secure the services of a reliable pest control vendor, overseeing the work by the vendor, train employees on recognizing the signs of infestation, approve the use of chemical pesticides when necessary, and making updates to the plan as necessary. The pest control vendor will identify and report the pest infestations, communicate a plan of action as to their removal and prevention, remove the infestation using the least toxic means possible, and should chemical means be necessary, communicate to other parts of the team where and when chemicals are being applied and when it is safe to reenter the spaces. The employees are the first line of defense against infestations as they will be responsible for immediately reporting them to their supervisors and taking actions as necessary as directed by their supervisors.

SOPs and implementation strategies include, but are not limited to, regular inspections of Medganics, the use of nonchemical means of prevention and removal whenever possible such as baited traps, keeping
all areas of the dispensary clean and sanitary at all times, regular removal of trash and other debris, and sealing cracks, crevices, or other potential means of ingress into the building for pests.

Medganics’s IPM protocol for the removal and disposing of pests starts with using the least toxic method possible and only escalates to using chemicals when nontoxic and non-chemical methods prove ineffective. Traps with nontoxic bait for rodents and insects will be the preferred method, with the use of chemical baits indoors to be prohibited from being used. Should the use of chemical pesticides be necessary, then the first chemicals to be used will be essential oils such as lemongrass oil in the case of ants and insects, and garlic or peppermint oil in the case of rodents. These chemical treatments will be available for known pests, including but not limited to: ants, cockroaches, bed bugs, or any other noxious insects; rats and mice; and any other environmental invaders. The criteria for when more toxic methods may be used are strictly defined. Non-least-toxic methods cannot under any circumstances be used for frequent infestations.

Daily Staff Sanitation and Sanitary Task Materials

With the issues of procedural sanitation and site-wide sanitation covered, Medganics will implement a number of other, non-trivial sanitary measures. These procedures and policies detail the day-to-day standards of employee maintenance and policies regarding toxic cleaners and consumable sanitation or safety supplies.

Employee Sanitation and Hygiene

In accordance with §27.153 (relating to restrictions on food handlers) of the Pennsylvania Code, all dispensary employees shall be expected to at all times maintain proper personal hygiene and sanitary standards for their person while on the premises for any reason.

Any person, including and especially employees, who shows to have or appears to have an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination for whom there is a reasonable possibility of contact with a retail marijuana product, shall be excluded from any operations which may be expected to result in such contamination until the condition is corrected.

All persons working in direct contact with medical marijuana or medical marijuana product shall maintain adequate personal cleanliness, which includes washing hands thoroughly prior to beginning work as well as at any other time when the hands may have become soiled or contaminated, ensuring that clothing is suitably clean, and showering or bathing prior to reporting for duty.

Hand Washing and Lavatory Facilities

Medganics will have an adequate number of hand washing and lavatory facilities convenient for their regular and convenient use by employees and customers, furnished with running water at a suitable temperature. Hand-washing facilities shall be located in all bathrooms, employee break rooms, and anywhere else regular hand-washing is needed. The toilet facilities shall be provided with adequate consumables, readily accessible, and maintained in sanitary condition and good repair, and shall be regularly cleaned, sanitized, and kept in good repair per the procedures that are outlined later in this section.

Furthermore, we shall at all times comply with the Commonwealth’s laws, rules, and regulations regarding retail operations and the cleanliness and safety thereof. We shall submit to and fully cooperate with any and all regular or unannounced inspections by any designated agency of the Commonwealth or the local jurisdiction. Going beyond that, we shall conduct our own regular and unannounced health and safety audits and inspections by contracting with an outside firm, which can provide such a service, and a separate pest control audit as well. We shall fully implement the recommendations and requirements of all these audits.
Mandatory Sanitation and Safety Supplies

At all times, Medganics will have on the premises sufficient tools and products to ensure that safety and sanitation procedures can be properly carried out by employees. These tools will be properly locked and stored in closets dedicated to their use away from other products to prevent diversion and cross-contamination.

The following is the list of products and tools to be store on-site at all times:

Cleaning Tools

A janitorial cart, two mops, two mop buckets, one large push broom, two regular-sized brooms, two dustpans, one duster, one wall-mounted broom holder, one carpet vacuum cleaner, one wet-dry vacuum one floor machine, one handheld dust vacuum, one toilet bowl scrubber, four empty refillable spray bottles, four “Caution Wet Floor” signs, one pack of reusable rubber gloves, wall-mounted hand sanitizer dispensers in each bathroom and in the employee break room, wall-mounted paper towel dispensers in the employee break room, wall-mounted automatic hand dryers in each bathroom, wall-mounted hand soap dispensers in each bathroom and the employee break room, two snow shovels, one salt spreader, one hands-free waste disposal bin of sufficient and appropriate size in every room of the facility, one hands-free recycling bin in the employee break room, and pest traps and deterrents, including ultrasonic sound emitters to deter mice and rats.

Cleaning Supplies

Trash bags (both for regular waste and large heavy-duty bags), commercial-grade all-purpose cleaner and deodorizer in gallon bottle size, one spray bottles of glass cleaner, one gallon-sized bottle of glass cleaner refill, one bottle of toilet disinfectant and cleaner, one bottle of liquid drain opener, two bottles of spray disinfectant, hand soap bottles and refill bottles, hand sanitizer refills, two hand sanitizer bottles to be kept at separate locations in the main retail area, toilet paper, tissue paper, paper towels for both the wall-mounted dispensers and for general cleaning purposes, terry cloths, all-purpose microfiber cloths, one bottle of dishwashing liquid, one pack of scrubbing sponges, one box of scouring pads, three bottles of disinfectant wipes, one bottle of air freshener, one bottle of wood cleaner, one bottle of compressed gas office hardware cleaner, one bottle of metal polish, and four bags of deicing salts (during the winter months only), and one bottle of insect killer.

This is a non exhaustive list of tools and supplies to be kept at Medganics at all times. Developing needs shall be continuously evaluated by our managers, and it shall be the responsibility of the general manager to ensure that all cleaning tools and supplies are in stock and kept in good working order. Should a cleaning supply run low or a sanitary tool need replacing, these managers will place an order with our supplier, prior to running out of that supply or exhausting the use of that tool. The cleaning supplies purchased by Medganics will be of the least toxicity possible to complete the task and be environmentally friendly when possible to purchase such a product.

Toxic Cleaning Compounds

While Medganics will strive to minimize the use and purchase of toxic cleaning compounds, should the need arise to use such products, toxic cleaning compounds, sanitizing agents, and other chemicals shall be identified, held, stored and disposed of in a manner that protects against contamination of medical marijuana and medical marijuana products. Such handling will always be done in a manner that is in accordance with any applicable local, state or federal laws, rules, regulations or ordinances. These compounds will be stored in monitored, secured spaces such as a locked closet away from medical marijuana products and the retail floor; such toxic products will only be accessed when necessary. Employees who use any such products are required to wash their hands with soap and water immediately after using them.
Patient Rights and Responsibilities

Medganics takes seriously the rights and responsibilities of the patient. In an effort to empower the patient to exercise their rights, and to make clear their responsibilities as patients, Medganics will create and maintain a Patient Rights and Responsibilities section on our secure website. This section will include, but will not be limited to, the following information:

The patient has the responsibility to:

- Follow the treatment plan: follow the treatment plan agreed upon with the recommending physician. This includes following instructions of the medical and security staff at the dispensary as they enforce the dispensary rules and the Commonwealth’s regulations.
- Follow dispensary instructions: patients who are non-compliant, who behave in a disruptive manner so as to threaten their own or another’s safety, who pose a threat to their environment, or who are verbally and/or physically abusive will be informed of the existing mechanisms available for registering complaints, and will be handled in accordance with established policy. Further failure to comply with instructions may result in denial of future service, and/or the involvement of law enforcement or the Department, as appropriate.

The patient has the right to:

- Respect and Nondiscrimination: considerate, respectful and nondiscriminatory care from medical staff, designated caregiver(s), and the dispensary
- Access to Physicians: the right to see a physician, discuss the use of cannabis as a medical treatment, and expect that the physician is in compliance with established standards of practice to ensure the validity of the recommendation.
- Confidentiality of Health Information: the right to talk in confidence with providers and to have health care information protected under the law.
- Information Disclosure: the right to accurate and easily understood information about the local, state and federal laws and regulations.
- Quality Control: the right to cannabis and cannabis products that are free of mold mildew, pesticide, adulterants, and pests. Moreover, the right to know how the cannabis was produced.
- Choice of Providers: the right to a choice of dispensaries sufficient enough to give safe access to a variety of quality cannabis-derived, non-smoking products.
- Safety: the right to obtain the medication in a safe environment, which includes but is not limited to adequate security, health and safety protocols, and legal business practices.
- Input: the right to make a complaint at the dispensary, without the fear of losing access. This includes complaints about waiting times, operating hours, the conduct of personnel, and the adequacy of the facilities.
- Accuracy: the right to medication that has been labeled and weighed accurately. No dispensary should deliberately mislead a patient about the quantity or variety of medication being provided.
- Fair Price: the right to pay a fair and reasonable price for cannabis-based products.
- Representation: the right to weigh in on laws and regulations that affect the life of the patient

Conclusion:

By taking a holistic approach to ensuring and maintaining the sanitary and public safety standards at Medganics, our team intends to create a patient friendly atmosphere, with the general feeling of safety and security experienced when patients visit family doctors or traditional physicians. The cornerstone to ensuring this patient experience is strictly adhering to and enforcing detailed sanitary and cleanliness guidelines and ensuring that our staff is trained to prevent noncompliant behavior and report felonious behavior.
Section 17 – Recordkeeping

A. PLEASE PROVIDE A SUMMARY OF YOUR RECORDKEEPING PLAN AT EACH PROPOSED FACILITY LISTED IN THE PERMIT APPLICATION. THIS PLAN SHOULD COVER, BUT IS NOT LIMITED TO, RECORDS OF INVENTORY AND ALL DISPENSING TRANSACTIONS:

Please limit your response to no more than 5,000 words.

Introduction

Medganics takes a high-level, holistic approach to ensuring tight dispensary recordkeeping. We believe that data collection is central to our business; comprehensive data collection not only enables compliance, but also enables patients to provide feedback, and is central to maintaining system security. Data enables our firm to continuously improve our processes while maintaining tight control over our operations. It is critical that the act of data collection is simple and intuitive for our employees while providing meaningful feedback that enables continuous improvement. Every step of recordkeeping is considered critical, and the Medganics ensures the Commonwealth, the Department, and our own stakeholders are properly apprised of our business status transaction by transaction.

Overview of Records regarding Inventory, Transactions, and Visitor Logs

In order to ensure that our records will be created and maintained in a professional and serious manner, Medganics regards the success of any recordkeeping effort along three lines: the fidelity of records collection, the integrity and availability of records being stored, and the ease-of-use and configurability of records reporting. By committing to these digital recordkeeping requirements, Medganics reduces the chance for human error at every step, provides unparalleled vision to our stakeholders and agents of the Department, and redundantly backs-up all recorded entries, in the case of physical site catastrophe or criminal network attacks.
Adverse Events Policy

There may be cases where adverse events need to be reported to the recommending physician. Our BPMN tool will include digitized SOPs that guide administrative employees through the task of finding the physician for the right patient, include guidelines for communication, and log the communication that is sent and received.

This BPMN tool also shows us where individual cases are stuck. So if a physician has a high caseload, and has many tasks that are waiting on him, we know how to operationally resolve a potential bottleneck in the future. Additionally, if a particular employee is working for nefarious purposes, dashboarding of their approvals or denials in the SOP can show hotspots for particular patients. In this way, Medganics is ready to utilize recordkeeping as a way to continuously mitigate against adverse events, report to the Department compliantly, and improve service for patients.
Process of Recording Inventory Information

Medganics’s highest priority with respect to inventory recordkeeping is the deterrence and discovery of diversion, noncompliant staff behavior, or any other compromising event. By designing and enforcing a system of strict inventory policies, controls, and software solutions, we ensure that all staff and visitor action on-site will not endanger Medganics as a whole. As per §1161.39, Section 701 of Act 16 is addressed by this transaction enabled inventory system.

Medganics’s inventory system addresses these concerns, as the system both tracks all staff interaction with labeled inventory and digitizes and presents the onsite SOPs via web-based application. If the regulations or stipulations of the Department change over time, or if gamified staff behavior is discovered, Medganics’s SOPs can be quickly and effectively changed to eliminate the discovered attack vector.

For a more detailed description of the inventory management system and applied solutions to dispensary operations, please refer to Section 14 - Inventory Management.

Process of Recording all Dispensing Transactional Information

In addition to the recording of all staff behavior onsite and reconciliation with the Medganics’s digitized SOPs, our inventory management solution tracks every transaction of held medical goods within its Point-of-Sale (POS) functionality. The POS solution will utilize a conventional retail system where transactions are entered when the customer makes a purchase, cash and product are exchanged, receipts are printed, and the appropriate entries are made to the inventory and accounting ledgers. This allows Medganics to have a clearly visible receipt-transaction lifecycle at every operational layer, from delivery to sale.

For a full understanding of quality control at the time of delivery, please refer to Section 11 - Transportation of Medical Marijuana.

Point of Sale Equipment for Recordkeeping

DOH REDACTED
In addition to the recordkeeping benefits, would be enabled to employees move around the dispensary with a tablet device that contains multiple web-based solutions, enabling them to respond to any customer questions or concerns in person, and face-to-face. Many disabled people, who utilize a wheelchair, are encumbered by non-ADA-compliant registers, and being able to hand relevant data to the customer directly over the counter is a dignifying and thoughtful gesture that Medganics will be able to provide. In addition to being able to process transactions, the physician or medical staff can peruse inventory stocks to see what particular treatments and medications may be available. These heuristics metrics can be captured all the same and used to hone and hone the patient experience at Medganics’s Dispensary.

Process of Storing and Ensuring all Recorded Information

DOH REDACTED

Process of Sharing and Disclosing Recorded Information

Medganics prides itself on its commitment and ability to deliver on the promises of transparency and full disclosure. We believe that our information systems should leverage the Department of Health’s Application Program Interfaces (APIs) and electronic communication methods whenever and wherever possible. We will take full advantage of the Department’s APIs to integrate our systems as closely as possible and will always to embrace new forms of connectivity as they become available. We will always seek to maintain maximum transparency in our operations as part of our scientific approach to continuous improvement and top quality patient care.

DOH REDACTED
Process of Handling and Securing Patient Data

[Redacted]

Recordkeeping and Interaction with Federal Law Enforcement

The possibility of a Drug Enforcement Administration (DEA) raid is a very real event that Medganics considered with great sobriety and care. We believe that our combination of diligently trained retail management and painstaking digital recordkeeping on-site at our dispensary will be the best proactive steps we can take to ensure that Medganics can withstand the scrutiny of Federal Law Enforcement agencies.

Conclusion

Medganics sees the operational need to institute and maintain good recordkeeping policies and practices, as these records inform and reveal diversionary tactics, suggest areas of staff performance that could be improved to increase the patient buying-experience, and serve as proof of good behavior should the Commonwealth, the Department, or any other law enforcement agency have questions about the historical, empirical records of our firm’s actions. We take recordkeeping very serious and seek to leverage our records for the benefit of our stakeholders, our patients, and our Commonwealth.

Part E – Applicant Organization, Ownership, Capital and Tax Status
(Scoring Method: 150 Points)

**SECTION 18 – ORGANIZATIONAL STRUCTURE**

<table>
<thead>
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<th>Applicant’s Form of Organization</th>
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<tr>
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<td>C-Corporation</td>
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<tr>
<td>Sole Proprietorship</td>
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Applicant’s Organization Documents

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<tr>
<th>State of Incorporation or Registration: PA</th>
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<tr>
<td>Business Name on Formation Documents: Medganics LLC</td>
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Applicant’s Identification Numbers

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<th>PA Unemployment Compensation Account Number: DOH REDACTED</th>
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<tbody>
<tr>
<td>PA Department of Revenue Tax number (if applicant is currently doing business in Pennsylvania): N/A</td>
<td>PA Workers’ Compensation Policy Number (if applicant is currently doing business in Pennsylvania): DOH REDACTED</td>
</tr>
</tbody>
</table>

The applicant affirms that workers’ compensation insurance will be obtained by the time the Department determines you to be operational under the Act and regulations. □ Yes □ No

SECTION 19 — BUSINESS HISTORY AND CAPACITY TO OPERATE

DESCRIPT YOUR BUSINESS HISTORY AND YOUR ABILITY AND PLAN TO MAINTAIN A SUCCESSFUL AND FINANCIALLY SUSTAINABLE OPERATION:

Please limit your response to no more than 5,000 words.
Introduction to Business History and Capacity to Operate

Medganics is a company founded on key life lessons shared by the son of a Colombian immigrant, a woman who saw first hand the struggles caused by illicit drugs, and a disabled veteran who all came to understand the power of medical cannabis. Nick Palacios, the founder of Global Resource Operations, earned a spot on a USA ice hockey team, and represented the USA in Europe. After numerous hockey injuries and 3 surgeries resulting in uncontrollable pain, his pain management physician recommended medical marijuana. Palacios owes a debt of gratitude to the cannabis plant for removing pain pills, opioids, and NSAIDs from his life. He shares a personal mission toward helping other patients through those life-changing medicinal possibilities with Medganics’s CEO and General Counsel, celebrated litigator Mary Parker. Parker’s 30 years of practice included a post as an assistant district attorney in the 21st Judicial District of Tennessee. More than 50% of her case assignments were drug-related charges. She saw first-hand the devastation to lives and families caused by illicit drug use, and is adamant about implementing medicinal use of marijuana within the strictest of standards. Parker believes what Palacios has himself experienced, and what Nic Easley has dedicated his life’s work toward: medical cannabis saves lives and restores communities. Easley, a disabled veteran who learned of the benefits of medical cannabis after an injury in the service, has spent the last nine years building Comprehensive Cannabis Consulting (3C), which combines the decades of entrepreneurial business expertise of his staff with a bevy of knowledge about the cultivation, extraction, and sale of medical cannabis.

This diverse team of founding partners forms a core around which the impact of medical cannabis can be maximized: increasing access to positive patient outcomes, reducing opioid use in their local Pennsylvania communities, and driving the success of a multi-million dollar business that’s ready to get to work in Jefferson County. The Medganics team has extensive roots in Pennsylvania, and the desire to create local impact is strong within the founding team. For the Medganics team, that local impact must not only include medical benefit, but long term impact for sustainability and renewable energy practices as well. Pennsylvania has an abundance of homegrown natural gas, and Medganics believes that more people, businesses and governments can turn to compressed and liquified natural gas to serve its industrial needs. As such, Medganics intends to build its facility in the Sunnyside Energy Park located in Ringgold Township. It makes perfect sense to use our homegrown resource to fuel the production of our industrial facility.

The nature of planning, fundraising, and executing on the capital for any venture is complex and challenging, but it takes a special level of seriousness, drive, and passion to create an enterprise-grade, pharmaceutical-quality, sustainable medical cannabis business. Medganics is uniquely position to execute on the funds it has raised, and the funds waiting in reserve, with the right leadership that can cut through the fog and execute on our vision. With multiple current and former CEOs employed by Medganics, in addition to multiple doctors, teachers, renowned public figures, and thought leaders on staff, Medganics has the business acumen and experience to ensure success.

Medical cannabis requires an entrepreneurial spirit, with rapidly evolving rules and regulations creating challenging new business problems that many old-guard executives are not equipped to solve speed necessary for success and compliance. With multiple enterprise software and open source experts joining the executive team, Medganics has the technology to make our vision into a safe, compliant, profitable reality. We’ve worked extensively with Americans for Safe Access (ASA) and have some of the first certified practitioners of the Patient-Focused Certification (PFC) Program. With the power of 3C’s cannabis expertise, and with multiple executives decades of experience operating in Colorado’s regulated cannabis markets, Medganics will make the science, medicine, and research of medical cannabis shine a light in the lives of patients.
Senior Management Team

Mary Parker, Esq. Chief Executive Officer
Mary Parker, Global Resource Operations ("Medganics") CEO, brings a wealth of unique experience to her position. She has been the chief executive officer for her firm, Parker & Crofford, for the past 30 years. During that time, she also was an active member, sitting on the Board, serving as an executive officer for 5 years, and ultimately being elected President of Public Justice (f/k/a TLPJ). As the President/CEO of the non-profit national public interest law firm, she managed the multi-million-dollar annual budget, as well as overseeing its litigation efforts. On behalf of TLPJ, she served as lead counsel in a highly technical and scientific Clean Water Act case (TEC v. Dana Corp), which involved her immersion in scientific data, coordinating scientific research, testing and presentation. The TEC case was one of the largest environmental cases in the southeast, setting the standards for corporate compliance with regulations in clean water. Throughout her legal career, she has taken on significant cutting edge issues involving engineering, medical research and scientific analysis. She is well suited for managing the rigorous compliance and auditing requirements of Medganics as well as managing the scientific operations.

Mary Parker is a lifetime member of the National Cannabis Bar Association (NCBA). She is from Oil City, PA graduating from Venango Christian High School, and subsequently obtaining degrees from the University at Buffalo School of Management and the University of Tennessee School of Law. Mary is eager to spend far more of her time in her home state as an executive of Medganics and its in-house counsel, responsible for all legal issues and compliance. During her stellar 30+ years at the Bar, she received numerous honors and accolades, among them: being featured as one of the nation’s 10 top litigators by the National Law Journal. She holds the AV rating by Martindale-Hubbell, which is the gold standard in the legal world for lawyers possessing the highest ethical standards and professional ability, as judged by the judiciary and other members of the Bar.

Parker now directs a significant portion of time, legal talents and energies to the world of medical cannabis law. Over the past year, she has concentrated on working with lawmakers drafting expanding legislation, researching comparative marijuana laws, and advising Medganics. She will assure constant adherence to all legal requirements and compliance, from first shovel of dirt to construction completion, and from seed to sale of all products.

Nicholas Easley, Chief Operations Officer
Nic, Founder and President of Comprehensive medical marijuana Consulting (3C), has helped more than 75 clients design, start, build, and optimize their commercial medical marijuana cultivation operations. With Nic’s visionary leadership, 3C uses science, research, and education as guiding principles to maximize ROI, profitability and shareholder value while recommending socially and environmentally responsible business practices. Nic’s scientific background combined with his hands-on agricultural and biological experience spans 15 years and includes dozens of highly successful business ventures aimed at enhancing client productivity, optimization and compliance.

Over the past nine years, Nic has accrued extensive experience in the medical marijuana industry in Colorado and nationwide. His rich history in commercial medical marijuana operations gives him the knowledge and perspective needed to advise entrepreneurs and farmers on critical areas of their businesses. Nic’s thought leadership is reflected in his many speeches and keynotes at multiple industry conferences. He has been quoted by major media outlets and he contributes to numerous industry publications including The medical marijuana Business Times and The Hemp Connoisseur (THC). Nic also serves as a resource for regulatory agencies in Colorado, including the Department of Agriculture. Nic holds degrees in Environmental Studies and Biology, and he is a Veteran of the United States Air Force.

Skip Sanzeri, Chief Financial Officer
Skip Sanzeri, head of corporate development for 3C, is responsible for company branding, PR, marketing and partnerships. Recently, Skip raised capital for a medical marijuana sensor company, and he spearheaded the effort to take the company public. Skip is a Silicon Valley entrepreneur who, throughout his career, has helped a variety of startups launch, grow and exit. Skip started his entrepre-
neurial career at an early age and has funded and launched a few of his own companies, including found-
ing and funding the first open source strategy firm – Open Source Group. Skip earned his bachelor’s de-
gree from Claremont McKenna College and his Master’s degree in Public Administration from the College of Notre Dame.

Moshe Ben-Roohi, M.D., Chief Medical Officer
Moshe Ben-Roohi, M.D. specializes in advanced non-surgical orthopedics and regenerative treatments for sports injuries, degenerative joint disease, and conditions of the spine. He works with clients who have tried everything else and failed and with professional athletes looking to improve their game. He is double board certified in both Physical Medicine and Rehabilitation, and in Pain Medicine. He obtained his medical degree at Tel-Aviv University’s Sackler School of Medicine and completed his residency at NYU Medical Center and Hospital for Joint Diseases where he served as Chief Resident. After residency he completed a fellowship in Pain and Interventional Orthopedics. Dr. Ben-Roohi maintains his role in academic medicine through his continued pursuit of ongoing research. He has published numerous scientific papers in PM&R and other peer reviewed journals. He is a frequent speaker on the subjects of Sports Medicine, Pain Management and Regenerative Orthopedics. Dr. Ben-Roohi is a member of the Spine Intervention Society (ISIS), American Academy of Orthopedic Medicine (AAOM), Institute for Functional Medicine (IFM) and the American Academy of Physical Medicine and Rehabilitation (AAPMR). Dr. Ben-Roohi earned his M.D. from Tel Aviv University in Israel, and his B.A. in both Anthropology and Biology from University of California, Santa Cruz.

Jay Palmere, Chief Technology Officer
Jay received a Bachelor of Arts in Business Administration with concentrations in Business Economics and Finance from the Albers School of Business at Seattle University, and was chapter President of Gamma Omega chapter of Alpha Kappa Psi and coordinated chapter activity as an undergrad. Jay received a Master of Arts degree in Humanities from the University of Chicago, and used it to teach History of Western Thought, Academic Reading and Writing, and Principles of Microeconomics at Calumet College of St. Joseph over the last year. Jay is currently Chief Financial Officer of Compliant Cannabis, where he currently provides Business Process Model and Notation (BPMN) expertise alongside enterprise-grade resource planning skills to meet the unique and complex needs of the legal cannabis industry. He joined Compliant Cannabis in 2015, whose mission is to provide real-time inventory management from seed to sale, automating inventory reconciliation and compliance reporting, as well as optimizing operational excellence with real-time, data-driven insights. Compliant Cannabis makes high tech affordable by providing cloud-based software solutions as a monthly subscription service, a.k.a. Software-as-a-Service and Platform-as-a-Service. Jay’s proven skills applying logical systems to the often disorganized world of the nascent cannabis industry through his special expertise in business process management and enterprise resource planning helps him provide the best of breed technology to Medganics.

Harry Parker, Director of Sales
Harry Parker owns and operates his own small business in Seneca, PA. Parker Furniture and Carpet produces annual revenues of $1 million to $2.5 million and employs a staff of 9 salespeople. He earned his B.S. in Business Administration from Michigan State University.

Nickolas Palacios, Director of Operations
Nick Palacios, the founder of Global Resource Operations, LLC (“Medganics”), brings organizational strengths to Medganics, one of which is his ability to pull together amazing and varied expertise and capital, along with their contacts to create an incomparable and expansive team. Nick will be onsite, participating in the day-to-day operations of the cultivation/extraction operations at Sunnyside Energy Park while Medganics hires experienced industry managers to run each department.

Nick earned Patient Focused Certification (PFC), being one of the first 50 people in the US to be awarded that certification. PFC, which required passage of 4 examinations, following an intensive course in all disciplines in the field, is provided by Americans for Safe Access, a national organization promoting safe
medical marijuana patient care and access. Americans for Safe Access Patient Focused Certification is an innovative, comprehensive program, preparing the medical cannabis industry for excellence, providing patients, healthcare providers and regulators the ability to identify reliable, high-quality medical marijuana products and services, preparing those who are certified in all disciplines to adopt high quality, safe, reasonable, high-level standards for growers, processors and distributors from seed to consumption.

While at the Carey School of Business at Arizona State University, Nick studied marketing with an emphasis on entrepreneurialism and sustainability. He expanded his knowledge and experience during an internship in Romania at a fully sustainable resort development, where soil studies, land development and energy sustainability were critical components of his responsibilities.

Prior to turning his full efforts toward this industry, Nick owned an internet marketing company for 5 years, including his final year in college and 4 years thereafter, selling his company and putting all assets into the Medganics start up in late 2015. He represented a wide variety of clients, and brings those marketing skills to Medganics.

Jean Dugan, Pharm.D., Director of Pharmacy Services & Education/Clinical Laboratory Pharmacist

Jean Dugan holds a Doctorate in Pharmacy and is Board Certified in the States of Pennsylvania and California, pending Colorado. Following graduation from the Philadelphia College of Pharmacy in 2010, Jean worked in California with CVS until early 2015, when she made the leap into the medical marijuana industry. She was among the first of many healthcare professionals to migrate into the medical marijuana sector. She took on the role of Director of Education, with one of Colorado’s first manufacturing & research facilities, Ebbu, teaching dispensary employees. the pharmacology of cannabis compounds, the potency and bioavailability and impact on various medical conditions. Thereafter, she assumed the role of Director of Quality Control & Assurance at Tradiv, an online wholesale distribution platform. To promote consumer safety, Jean worked with Colorado cannabis testing labs to facilitate a pesticide-testing program. Jean’s work with Tradiv pushed necessary measures to promote pesticide-free product quality, which at the time was a step ahead of the state. While at Tradiv, Jean became active in the Colorado Department of Public Health Pesticide Committee and was part of the California Quality Control Committee. Because of her experience and unique stance as a pharmacist, Jean was invited to serve as an adjunct professor for the University of Maryland School of Pharmacy, in which she provided curriculum to educate students on cannabis as medicine.

Nicholas Wydock, Director of Quality Assurance

Nicholas Wydock, or “Nicky” as he is affectionately known to his friends and colleagues, is Patient-Focused Certified by Americans for Safe Access. He therefore has a deep understanding of reliable, high-quality medical marijuana products and services. PFC comprehensively addresses product and distribution safety in the industry. The program provides components for operators, growers and processors to promote the adoption of safe and reasonable industry standards from seed to consumption. Previously, Nicky was a Supervisor of Quality Assurance at a Nissan production plant in Tennessee, where he supervised employees on ensuring the safety and quality of the products and cars to meet all safety requirements. Nicky is another former professional ice hockey player on the MEDGANICS team.

Robert Beatty, Jr, Site Manager

Robert H. Beatty, Jr. has 33 years’ experience in the natural gas and compression industries with 17 years as the president of “O” Ring & Associates, Inc. as well as 9 years as CEO of “O” Ring CNG Fuel Systems, L.P., (& Affiliated Entities) which he founded in 2008. Additionally, Mr. Beatty is the CEO of Sunnyside Energy Park, LLC in Ringgold, Pennsylvania, a clean energy facility, creating a sustainable and profitable market for stranded natural gas supplies and resource isolated markets where conventional transportation and/or utilities are not a readily available option. Sunnyside Energy Park strives to demonstrate indigenously sourced, as well as cost-effective energy, with minimal environmental impact; therefore, creating high-efficiency energy use that enhances the local economy. Mr. Beatty has extensive experience with compressed gases as a technician, system designer, consultant, sales manager, and distributor for several major international compressor brands. From assessing the best plan for each customer, designing, building, and installing individualized equipment, to both routine and emergen-
Lucius Edward Burch III, Financial Backer
Lucius E. Burch, III, chairman and CEO of Burch Investment Group, has enjoyed a nearly 50-year career in venture capital, specializing in management consulting, corporate finance and mergers and acquisitions. After earning a degree in English from Carolina in 1963, Burch began his career at Morgan Guaranty Trust Company, and in 1968 joined Massey Investment Company, predecessor to Massey Burch Investment Group.

3C Team
The 3C team leverages over three decades of proven experience in agriculture and farming, architecture and engineering, project management, facilities management, development of best practices, education, strategy, marketing, legal compliance, and, of course, medical marijuana cultivation and processing. Comprehensive medical marijuana Consulting helps clients to navigate the legal complexities of state licensure while also being a trusted advisor on critical business functions like marketing, advertising, distribution and more. Because of the broad nature of our expertise, we can craft the optimal business solution specifically for medical marijuana ventures.

3C routinely demonstrates how high-quality medical marijuana can be produced cost effectively using organic methods. We advise on practices that are profitable, sustainable and responsible, relentlessly driving higher standards for the industry. We help our clients create a platform for medical marijuana and hemp that will showcase its amazing potential and value to the world. Our mission is to help guide and grow this industry responsibly and sustainably. To be stewards for our clients, for the world and for the plant itself. To share and disseminate our methods and approaches across the nation. To set the highest standards of quality and responsibility.

We will lead both the conversation and conversion to profitable practices that are better for all. We will help the world realize the power and potential of this plant—changing entrenched ways of thinking, keeping irresponsible, destructive and myopic practices from taking hold and setting the standards to ensure we do right by the planet and its people, in addition to creating economic value.

**SECTION 20 — CURRENT OFFICERS**

Provide the position, title in the applicant’s business, and address information for all current officers, directors, partners or trustees.

<table>
<thead>
<tr>
<th>Name and Residential Address</th>
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</thead>
<tbody>
<tr>
<td>First Name: Mary</td>
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<tr>
<td>Occupation: Attorney</td>
</tr>
<tr>
<td>Also known as: N/A</td>
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| | | | |
| | | | |
Pennsylvania Department of Health  
Medical Marijuana Dispensary Permit Application

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<tr>
<td><strong>First Name:</strong> Nicholas</td>
<td><strong>Middle Name:</strong> Todd</td>
</tr>
<tr>
<td><strong>Last Name:</strong> Easley</td>
<td><strong>Suffix:</strong> N/A</td>
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<tr>
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<td><strong>First Name:</strong> Samuel</td>
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<tr>
<td><strong>Last Name:</strong> Sanzeri</td>
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<td><strong>Middle Name:</strong> Phillip</td>
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<td><strong>Last Name:</strong> Palmere</td>
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<tr>
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If more space is required, please submit additional information on other officers in a separate document titled “Current Officers (Contd.)” in accordance with the attachment file name format requirements and include it with the attachments.

**SECTION 21 — OWNERSHIP**

In this section, list all persons with a controlling interest in the business, defined as follows:

1. For a publicly traded company, voting rights that entitle a person to elect or appoint one or more of the members of the board of directors or other governing board, or the ownership or beneficial holding of 5% or more of the securities of the publicly traded company.
2. For a privately held entity, the ownership of any security in the entity.

Complete the appropriate section(s) below:

**A. For C-corporations, S-corporations, LLCs and LLLCs**

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<thead>
<tr>
<th>Name and Residential Address</th>
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<tbody>
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<td>First Name: Mary</td>
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Pennsylvania Department of Health  
Medical Marijuana Dispensary Permit Application

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<th>Percentage of outstanding voting stock: 32.3334%</th>
<th>Terms, conditions, rights and privileges: N/A</th>
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**Name and Residential Address**

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<tr>
<th>First Name:</th>
<th>Samuel</th>
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<tr>
<th>First Name:</th>
<th>Nickolas</th>
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<th>Palacios</th>
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Pennsylvania DEPARTMENT OF HEALTH
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**Name and Residential Address**

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<th>Middle Name:</th>
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<th>Suffix:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lucius</td>
<td>Edward</td>
<td>Burch</td>
<td>III</td>
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</table>

**Occupation:** CEO and Chairman

**Title in the applicant’s business:** Financial Backer

**Also known as:** N/A

**DOH REDACTED**

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<th>Stock type or class:</th>
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**C. OTHER PERSONS HOLDING AN INTEREST IN THE PROPOSED SITE OR FACILITY**

List any other persons holding an interest in the proposed site or facility, that are otherwise not disclosed in sections A or B.

**Name and Residential Address**

<table>
<thead>
<tr>
<th>First Name:</th>
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Pennsylvania Department of Health
Medical Marijuana Dispensary Permit Application

Nature, type, terms and conditions of the interest in the applicant: **DOH REDACTED**

If more space is required, please submit additional information on other persons holding an interest in the proposed site or facility in a separate document titled "Other Persons Holding an Interest in the Proposed Site or Facility (Contd.)" in accordance with the attachment file name format requirements and include it with the attachments.

**SECTION 22 — CAPITAL REQUIREMENTS**

Provide a summary of your available capital and an estimated spending plan to be used for you to become operational within six months from the date of issuance of the permit.

Please limit your response to no more than 5,000 words.
Introduction to Community Impact: Engage, Listen and Educate for the Greater Good

The uniquely long-term experience of the Medganics team makes our team qualified to understand the challenges and opportunities that the medical marijuana industry is facing overall in the Commonwealth. Given the Commonwealth’s clear intent to reach as many, and ultimately all, patients in need of this form of medical support, Medganics has studied the western Pennsylvania demographics and chosen three (3) dispensary locations that will make product available to a wide range of both urban and rural patients. Our primary location in Cranberry Township is situated to provide service to both, as it is situated in an up and coming area in the outskirts of Pittsburgh, while at the same time, it is ideally located to serve rural patients throughout northern Butler County, western Beaver and Lawrence Counties, as well as easy access from southern Venango and Clarion Counties. Since Butler is the only County in that region that was granted a “primary” by the DOH, it is Medganics goal to provide a location and transportation services, all of which will assist rural patients in need, to have early market access, particularly if no other dispensaries are permitted in Phase 1 in or near their communities. A key component of our rural outreach will include transportation to veterans and others in need, who will not otherwise have the opportunity to travel to dispensaries. That goal will be furthered by our secondary location in Cambria County, located in East Tay-
Our location sits close to the border of Somerset County and will be able to adequately serve both counties. We will still be providing transportation services, similar to those provided in Butler County, for more rural-located veterans and others. Medganics fully understands that delivery of product is prohibited under all circumstances, however, we do plan to assist those in need to have access by delivering the people to the product. Our tertiary location is on the Southside District of Pittsburgh, in an urban community, chosen in large part, due to its accessibility for patients, with high walking, biking and transit scores. The location sits on a corner that has a public bus stop, which is part of Pittsburgh’s transit system. In addition, parking is available on our property, with plenty of public parking in the immediate area.

For decades, the criminalization of the marijuana plant has resulted in pervasive and persistent misinformation, dividing public opinion and thwarting medical research. Meanwhile, countless patients – those finding little or no relief with conventional medicines – have needlessly suffered intractable pain that could have been managed effectively by medical marijuana.

Act 16 provides an opportunity to end this suffering, but only for as long as citizens of the Commonwealth deem the Medical Marijuana Program beneficial. Let us be clear: the future of the program will rely heavily on the goodwill of the people in our communities. The first medical marijuana license holders in the Commonwealth of Pennsylvania bear a special responsibility to demonstrate how the positive impacts of the program far outweigh any perceived negative impacts. This will secure the future of the program and protect the sizeable investments of all stakeholders.

Should the Department of Health select Medganics for licensure, we will act on this responsibility ever mindful of the patients we serve, and our obligation to protect the health and safety of the community at large. We have already started building relationships and forming partnerships within our targeted communities. Indeed, some of this work was started when we began our due diligence.

Our experience outside the Commonwealth has taught us that there are effective ways to engage the community and methods that will surely fail. In a nascent industry, such as medical marijuana, entrepreneurs often bombard community interest groups with information and promise to donate large portions of their profits to charitable causes. This approach is paved with good intentions, but it is fundamentally flawed. Without the proper engagement, attempts to educate the public can come across as propaganda; likewise, generous contributions to community charities can be misconstrued as an attempt to “buy” goodwill.

First and foremost, people within the community want to be heard and understood. Every business creates both positive and negative impacts – whether it’s a restaurant, a veterinary clinic or a grower/processor. True engagement happens when we reach out to groups impacted by our business with a genuine desire to understand their perspectives and identify mutual concerns. When we engage by listening first, we will create goodwill and a basis for solving problems and forming partnerships.

**SUMMARY:** Medganics is convinced that our mission to meet the needs of patients and the medical community cannot be achieved without a thoughtful and detailed plan for managing community impact. Our plan acknowledges that communities are complex, with many segments representing diverse interests and perspectives. The following narrative describes our plan of action for engaging important segments of the community and identifies the positive impacts we will work to achieve.
Patients, Medical Community, and Research Institutions

The main focus of our community outreach will be the medical marijuana patients we serve and the healthcare professionals who refer them. We are eager to share what we know and provide forums for patient education by creating and hosting forums accessible to the general public.

The science of medical marijuana is rapidly-expanding as researchers continue to make new discoveries. There is a complex arrangement of cannabinoid chemicals that interact with the human body in an elaborate system of receptors called the endocannabinoid system that rivals the nervous system in complexity. Numerous cannabinoid chemicals in medical marijuana bind to these endocannabinoid receptors all over the body as the basis for the medicinal interactions and benefits. The global research science community is only beginning to understand these complex interactions, while the general public lags behind with outdated information, often riddled with myths and even outright falsehoods.

At the higher education level, we will be proactive in reaching out to and establishing working relationships with the eight medical schools in Pennsylvania that will have Clinical Registrant licenses. Medganics will assist with designing research studies by contributing our comprehensive knowledge of the marijuana plant, its biology, chemistry, growing and processing methods, and methods of medicinal administration. To successfully explore the full therapeutic potential of cannabinoid profiles, research institutions will rely on consistent, high quality medical products that Medganics is qualified to deliver. Collaboration with other research organizations, as they are identified, will be an important and ongoing component of our business plan. This will help secure the future of the Commonwealth’s Medical Marijuana Program and enhance return on investment for our stakeholders.

Demonstrating positive impacts within this segment of the community is not without its own set of challenges:

- The rapidly expanding science of medical marijuana.
- The need for quantitative studies demonstrating patient outcomes.
- The lack of training for doctors and healthcare professionals in medical marijuana.
- The potential misuse of certain forms of medical marijuana for recreational purposes.
- The lack of patient education on the benefits and proper use of medical marijuana.
- The ability of research institutions to access consistent, pharmacological grade medical marijuana products for testing.

Our plan of action will include:

1. **Community Outreach**
   Medganics will engage the medical community with surveys and online forums to identify areas of interest and concern, to assess the level of understanding and perceptions of medical marijuana among healthcare professionals. We will extend invitations for collaborative dialogue and maintain an open-door policy encouraging transparency in our products, manufacturing processes, and quality and safety control procedures. We will inform the medical community and patients of pertinent research, plans for medical trials, and other relevant information.
By networking and partnering with other medical marijuana businesses in Pennsylvania, we believe we can have a broader, longer-lasting impact on the community. Our partnerships may include other grower-processors, dispensaries, or laboratories that share the goal of enhancing the community through active involvement and advocacy.

2. **Hosting Quarterly Medical Marijuana Roundtables**
   Once every three months, Medganics will host workshops on medical marijuana, establishing a regular conduit between our industry and the medical community. Medical Marijuana Roundtable Workshops will be opportunities for patients, caregivers, members of the community, and other people in the Pennsylvania medical marijuana industry to come together and discuss the state of the industry and the communities in which they serve. Topics will range from scientific forums exploring the latest research to basic introductions on medical marijuana and its benefits. Furthermore, by networking with other medical marijuana industry professionals from other parts of the state, we can learn what is working best to evolve and improve our impact on the community in which we operate and serve.

3. **Supporting Medical Research**
   Medganics will take a frontline position on delivering the most effective medical marijuana products available in the Commonwealth. We will develop partnerships with the eight medical schools in Pennsylvania licensed as Clinical Registrants, helping them design research studies and sharing our comprehensive knowledge of the marijuana plant: its biology, chemistry, growing and processing methods, and methods of administration. Medganics will support research topics that will advance the Commonwealth’s Medical Marijuana program, including product development, plant breeding, genetics, health and safety, energy efficiency, and more.

4. **Developing and Distributing Educational Materials**
   Beginning with our website, Medganics will disseminate accurate information that will help patients, caregivers, healthcare professionals, medical retailers, and members of the community understand the facts about medical marijuana, the conditions it treats, and its proper use. Fact sheets describing the strain, cultivation method, and any other relevant information about the history of the seed will be included with every shipment. Management will review these sheets for accuracy before every shipment. Current news regarding MMJ, including research results, studies, plans for medical trials, and other related information will be made available to our customers through portals including our website and other partner organizations.

**Positive impacts** within this community sector will be measured in the following ways:

- **Increased number of patients** finding relief from pain and illness with medical marijuana
- **Increased awareness of the facts**, benefits and proper use of medical marijuana as evidenced by periodic community surveys
- **Increased attendance and participation** at Quarterly Medical Marijuana Roundtables across all targeted audiences and the collaboration these workshops spark
- **The quantity and quality of partnerships** developed with Pennsylvania medical schools and the advancement of medical marijuana these partnerships produce.
Increased funding and support for medical marijuana research for illnesses and diseases.

The prevention of misuse and the enhancement of public safety as evidenced by public records.

Medganics will designate a qualified employee to function as a Brand Ambassador to patients and the medical community. This person will be responsible for planning, organizing, and implementing the outlined plan of action. Medganics will allocate the proper resources to fund community initiatives, create sponsorship opportunities where prudent and necessary, and support fundraising activities and grant writing to advance medical research.

Families and K-12 Schools

Parents and schools face particular challenges educating teens and preteens on the facts about medical marijuana. Adolescents may misinterpret the legalization of medical marijuana as unofficial endorsement of the widespread recreational use of marijuana on school campuses, even though this is strictly prohibited by law. There may be parents and educators who feel the legalization of medical marijuana has made their jobs harder. Medganics will partner with area schools to create ongoing educational programs, given the importance of protecting children and securing the rights of patients to access medical marijuana.

Medganics believes in reaching out to families, k12 schools, educators, and the community to build goodwill and allay fears. Demonstrating positive impacts may face some of the following challenges:

- Adolescents constitute a vulnerable population that must be protected.
- Emotions run high whenever families feel the health and safety of their children may be at risk.
- Educational materials for students must be age-appropriate and approved by parents and school officials.
- Educational materials for parents must address their concerns about diversion.

Our plan of action will include:

1. Community Outreach

Medganics will engage parents and educators with surveys and online forums to identify areas of interest and concern. It will also assess their level of understanding and perceptions of medical marijuana. We will extend invitations for collaborative dialogue, and will maintain an open-door policy encouraging transparency in our products, manufacturing processes, quality and safety control procedures, and anti-diversion tactics. We will emphasize the benefits of medical marijuana, including the treatment of disorders that sometimes occur in adolescent populations. We will keep families and schools updated with pertinent research and other relevant information.

2. Developing Educational Materials

Medganics will partner with educators to create appropriate educational materials for teachers, parents and students.

3. Supporting Local Youth
Medganics will donate time and resources to local organizations that serve youth in a variety of ways. Medganics will compensate employees for a fixed number of days spent volunteering with service organizations, from coaching soccer to sitting on scholarship committees and judging science fairs.

4. **Supporting Research on Substance Abuse**
Medganics will collaborate with institutions engaged in researching substance abuse among youth as well as medical marijuana treatments appropriate for adolescent conditions.

**Positive impacts** within this community sector will be measured in the following ways:

- **Increased levels of awareness of the facts**, benefits and proper use of medical marijuana as evidenced by periodic parent/teacher surveys.

- **Increased attendance** at educational events.

- **The quantity and quality of partnerships** developed with educators.

- **Continued voter support** of the Commonwealth’s Medical Marijuana Program.

Medganics will designate a qualified employee to function as a Brand Ambassador to families and K-12 schools, and educational organizations. This person will be responsible for planning, organizing and implementing the outlined plan of action. Medganics will allocate the proper resources to fund community initiatives, donating and creating sponsorship opportunities where appropriate, and supporting fundraising activities and grant writing to advance research.

**Law Enforcement**

Routinely ranked as one of the most stressful jobs in the country, police departments are often strapped for time and other resources. Some may feel that Title 28 adds yet another layer of stress to an already difficult job. We are fully committed to operating strictly within the confines of Pennsylvania law, and this commitment includes working closely with local law enforcement to ensure that certified patients are the only recipients of our medical marijuana products. To this end, we will schedule regular meetings with local law enforcement officials to discuss issues of mutual concern, offer tours of the property, and provide education in addition to training for law enforcement personnel regarding medical marijuana and its legal use.

Demonstrating positive impacts within this segment of the community may face a number of **challenges**:

- Medical marijuana is “new territory” for law enforcement and lacks baselines and precedents.
- De-stigmatizing medical marijuana may be personally difficult for police officers to achieve.
- Officers need help identifying the rapidly growing number of medicinal products.
- The discrepancies between state and federal laws create legal “grey” areas
- Evidence on acceptable levels of THC while operating motor vehicles needs more research.
Our **plan of action** will include:

1. **Community Outreach**
   Medganics will engage law enforcement with open forums where officers can share the questions and concerns regarding medical marijuana. We will maintain an open-door policy with law enforcement, addressing anti-diversion tactics and encouraging transparency throughout our entire chain of custody.

2. **Conducting Officer Training Sessions**
   We will partner with the Department of Health, Department of Justice, medical retailers, and other stakeholders to maximize collaboration and the exchange of ideas, while conserving the limited time police officers have.

3. **Supporting Local Law Enforcement**
   Medganics will donate time and resources to support law enforcement initiatives in a variety of ways. Such as generously sponsoring local police officer organizations, including but not limited to the local chapter of the Fraternal Order of Police.

4. **Supporting Research on the Effects of Medical Marijuana and Motor Vehicles**
   Medganics will collaborate with institutions conducting studies on how various forms of medical marijuana affect patients while operating a motor vehicle: response time, eye-hand coordination and cognitive function. This research will help to establish baselines for acceptable levels of THC in the bloodstream for a driver operating motor vehicles. This information will be shared and used in partnership with local law enforcement.

**Positive impacts** within this community sector will be measured in the following ways:

- **Increased levels of awareness** and the ability to differentiate legitimate medical marijuana products from counterfeits as measured by training exercises.
- **Improved ability to prevent diversion of medical marijuana** as evidenced by numbers of arrests and thwarted attempts.
- **Fewer complaints** by patients against law enforcement for unnecessary search and seizure of legitimate medical marijuana.
- **Positive feedback** from law enforcement on training programs as documented by exit surveys.
- **Continued voter support** of the Commonwealth’s Medical Marijuana Program.

Medganics will designate a qualified employee to function as our Brand Ambassador for the law enforcement community. This person will be responsible for planning, organizing, and implementing the outlined plan of action. Medganics will allocate the proper resources to fund law enforcement initiatives, donating and creating sponsorship opportunities where appropriate, and supporting fundraising activities.

**Neighborhoods, Municipalities, Community Leaders, and Civic Organizations**
Our experience in Colorado has equipped the senior management team at Medganics with the necessary skill set to work collaboratively with elected officials, neighborhood associations, Chambers of Commerce, community leaders, and civic organizations. It is important to respect the bylaws of these organizations as well as the municipal code that governs their decision-making process.

Within this aspect of the community, demonstrating positive impacts may face a unique set of challenges:

- Medical marijuana is “new territory” for municipalities; baselines and precedents will take time to establish.
- De-stigmatizing medical marijuana may be difficult for elected officials for political reasons.
- Neighborhoods and business will have concerns about environmental impacts.
- The belief that medical marijuana facilities may negatively impact property values and revenue streams can fuel a “Not In My Backyard” sentiment.
- Concern that a grower/processor facility sets a precedent for the influx of other medical marijuana businesses.
- Fears that a grower/processor facility will attract criminal activity, transients, vagrants and addicts.
- Information about medical marijuana facilities and grower/processor facilities tends to be highly technical and not readily accessible to the general public.

We will develop and execute a community education program that will empower patients, caregivers, and citizens of the community with knowledge and insight. Our programs will be open to all interested parties and led by a designated brand ambassador. Our plan of action will include:

1. **Community Outreach**
   Medganics will engage elected officials, neighborhood associations, school boards, business owners, Chambers of Commerce, community leaders, organizers, and civic organizations with open forums where concerned citizens can share their questions and concerns regarding medical marijuana and its impacts. We will extend invitations for collaborative dialogue, addressing environmental impacts, anti-diversion tactics, and measures taken to mitigate negative impacts. We will also provide case studies highlighting positive impacts of medical marijuana in communities outside the Commonwealth. We will encourage transparency and maintain ongoing communications for the life of our business.

2. **Joining Civic Organizations**
   We will be actively pursuing new partnerships with philanthropic organizations who are involved in the areas in which we will be conducting business. Some examples of organizations that we will engage with are: The Salvation Army, children’s hospitals, veterans’ groups, homeless shelters, food pantries, and other community service groups and organizations. We will strongly encourage our employees to volunteer their time with these groups, and meaningful participation with one or more of these will be strongly considered should that employee apply for a higher position or seek greater compensation. Going beyond that, Medganics shall donate 5% of income per year to local charitable causes that are based in or primarily serve the region in which we operate. This charitable initiative and its provisions shall be included in our charter and bylaws.
3. **Establishing a Code of Ethics**
Medganics will clearly define its Code of Ethics for employees and managers, holding ourselves accountable to the highest standards for personal and professional integrity, including but not limited to upholding the law, and treating others the way we would want to be treated. Medganics will ensure that every employee understands and accepts the special responsibility our company will bear as one of the first license holders in the Commonwealth’s Medical Marijuana Program.

4. **Being Good Neighbors**
Medganics will conduct operations with the kind of consideration for neighboring businesses and residential communities that we would want to receive. We will periodically check in with our neighbors, giving them the opportunity to tell us how we are doing instead of waiting for them to complain. Whenever possible, this kind of outreach will be done in person, but will be followed up with written communication per established company protocols.

Positive impacts within this community sector will be measured in the following ways:

- **Providing local jobs** and the ancillary effects of reducing unemployment
- **Increasing tax revenues** and the community improvements this may allow
- **Stimulating a local economic multiplier effect** from wages paid to and spent by our employees
- **Potential of reducing opioid addiction** resulting from conventional pain management treatment plans and the associated social and human costs that addiction brings
- **Continued voter support** of the Commonwealth’s Medical Marijuana Program

Medganics will designate a qualified employee to function as our Brand Ambassador for neighborhoods, municipalities, and civic organizations. This person will be responsible for planning, organizing and implementing our outlined plan of action. Medganics will allocate the proper resources to fund civic initiatives, donating and creating sponsorship opportunities where appropriate, and supporting fundraising activities.

**Reputation Management**
Should Medganics be granted licensure in the State of Pennsylvania, we understand that our company’s reputation could be seen as a reflection on the Commonwealth’s Medical Marijuana program, the patients it serves, and on the industry as a whole. Medganics will protect our company’s reputation by adhering to ethical practices, with sensitivity to rights of all members of the community. In addition to surveying various segments of the community, we will encourage our employees to share their own perceptions of how others describe our community impact. Leveraging the relationships we build with our employees is an important method of staying in touch with the community.

Under the rubric of public service, we believe every single area of our operations should contribute in some way to the general betterment of the communities around us. That is why we will factor into our an-
nual business reviews time reserved explicitly for discussing matters related to community engagement. During these reviews, we will address various aspects of our reputation management program:

- Annual budget review for charitable giving
- Current quarterly goals for community engagement.
- Staffing and resourcing community initiatives
- Year-in-Review and goal setting
- Identifying and exploring new opportunities
- Quarterly community impact evaluations

**Positive impacts** within this aspect of community impact will be measured by:

- **Ability to increase funding** for charitable organizations year-over-year
- **Meeting and exceed quarterly goals** established for community engagement
- **Exceeding staffing requirement** by exceeding staffing requirements
- **Inclusion of new initiatives** year-over-year
- **Open and honest communications** with key segments of the community
- **Unbiased community impact evaluations** completed quarterly

We know that not every community-related initiative will produce the kind of positive results we’re looking for which is why we will maintain strict adherence to an ongoing schedule of evaluations and possible re-
visions to our various community focused programs.

**Conclusion**

Medganics will work tirelessly to protect and advance the Commonwealth’s Medical Marijuana Program by partnering with all segments within our communities, including other medical marijuana businesses in Pennsylvania, to serve the best interests of our patients, employees, and stakeholders. Our commitment to demonstrate positive impacts in our communities is essential to this mission, and it gives our employ-
ees a sense of purpose essential to creating health and happiness.
Attachment A: Signature Page

Instructions:
This attachment is the signature page for your application and all other attachments.
- Please review the application
- By checking the appropriate boxes, indicate the sections that are included in your submission
- Print this attachment
- Sign the document (primary contact or registered agent)
- Scan this sheet and save it as a file called "Attachment A," using the appropriate file name format

By checking “Yes,” you acknowledge that you have read the Medical Marijuana Organization Permit Application Instructions before completing an application for a medical marijuana organization permit.

☒ Yes ☐ No

The applicant hereby submits this application for a Medical Marijuana Organization Permit to the Pennsylvania Department of Health, which consists of the completed application parts and attachments listed below:

Fees:
☒ Initial Application Fee
☒ Initial Permit Fee

Application:
☒ Completed Application

Other Attachments:
☒ Attachment B: Organizational Documents
☒ Attachment C: Property Title, Lease, or Option to Acquire Property Location
☒ Attachment D: Site and Facility Plan
☒ Attachment E: Personal Identification
☒ Attachment F: Affidavit of Business History
☒ Attachment G: Affidavit of Criminal Offense
☒ Attachment H: Tax Clearance Certificates
☒ Attachment I: Affidavit of Capital Sufficiency
☐ Attachment J: Sample Medical Marijuana Product Label
☒ Attachment K: Release Authorization
☒ Attachment L: Applicant Priorities for Multiple Applications

Background Checks:
☒ The applicant has requested background checks, as described in the instructions.
### ADDITIONAL ATTACHMENTS:

Please list any other documents you are submitting as part of this application:

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| Security Plans for 3 disp. locations | Parkhill Security Plan  
E.Carson St. Security Plan  
Marshall Rd.Security Plan                                  | Show clear layout of security plan                                                             |
| Financial projections for dispensary facilities | Medganics LLC  
Dispensary Facility Proforma Projections                              | Show complete financial plans to demonstrate readiness to implement all aspects of organization. |

A false statement made in this application is punishable under the applicable provisions of 18 Pa. C.S. Ch. 49 (relating to falsification and intimidation).

![Signature](signature)

Mary A. Parker  
Printed Name

A false statement made in this application is punishable under the applicable provisions of 18 Pa. C.S. Ch. 49 (relating to falsification and intimidation).

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A false statement made in this application is punishable under the applicable provisions of 18 Pa. C.S. Ch. 49 (relating to falsification and intimidation).

---
Signature  Title in Applicant's Business  Date

Printed Name

A photocopy, facsimile or other electronic version of this document shall be accepted as an original signature.
ATTACHMENT A: ADDITIONAL ATTACHMENT I

Re: Medganics, LLC and TQLA Management Corp.

The corporate documents for TQLA Management Corp, including the certified Certificate of Incorporation in Delaware, the Certified Registration of a Foreign Corporation in Pennsylvania, and the Bylaws, are submitted as additional attachments to the application of the above applicant, Medganics, LLC.

The purpose of inclusion of this additional corporation with the Medganics, LLC dispensary application is to show that TQLA Management Corp. is a duly authorized foreign corporation registered in Pennsylvania.

TQLA Management Corp is a real estate management company, with which the applicant has contracted to assist in locating and either buying or leasing properties in Pennsylvania, on behalf of applicant. All related real estate transactions are attached in Attachment C to this application for Medganics, LLC. Applicant wanted to ensure that the relationship between these 2 entities was clear in this application.

Mary A. Parker, CEO, Medganics, LLC
BYLAWS OF
TQLA MANAGEMENT CORP.,
a Delaware corporation

ARTICLE I
Offices

Section 1.1 Registered Office.

The registered office of TQLA MANAGEMENT CORP. (the “Corporation”) in the State of Delaware shall be as stated in the Corporation’s Certificate of Incorporation, as amended and restated from time to time (the “Certificate of Incorporation”).

Section 1.2 Other Offices.

The Corporation also may have offices at such other places, both within and outside of the State of Delaware, as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II
Stockholders’ Meetings

Section 2.1 Place of Meetings.

(a) Meetings of stockholders may be held at such place, either within or outside of this State, as may be designated by or in the manner provided in these Bylaws or, if not so designated, as determined by the Board of Directors. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as authorized by paragraph (b) of this Section 2.1.

(b) If authorized by the Board of Directors in its sole discretion, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication:

(1) Participate in a meeting of stockholders; and

(2) Be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (A) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (B) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to
read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (C) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

(c) For purposes of this Section 2.1, “remote communication” shall include:

(1) Telephone or other voice communications; and

(2) Electronic mail or other form of written or visual electronic communications satisfying the requirements of Section 2.11(b).

Section 2.2 Annual Meetings.

The annual meetings of the stockholders of the Corporation, for the purpose of election of directors and for such other business as may lawfully come before it, shall be held on such date and at such time as may be designated from time to time by the Board of Directors.

Section 2.3 Special Meetings.

Special meetings of the stockholders of the Corporation may be called, for any purpose or purposes, by either the Chairman of the Board, the Chief Executive Officer, the Board of Directors or any of the directors, at any time.

Section 2.4 Notice of Meetings.

(a) Except as otherwise provided by law or the Certificate of Incorporation, written notice of each meeting of stockholders, specifying the place, if any, date and hour and purpose or purposes of the meeting, and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote thereat, directed to his address as it appears upon the books of the Corporation; except that where the matter to be acted on is a merger or consolidation of the Corporation or a sale, lease or exchange of all or substantially all of its assets, such notice shall be given not less than 20 nor more than 60 days prior to such meeting.

(b) If at any meeting action is proposed to be taken which, if taken, would entitle shareholders fulfilling the requirements of section 262(d) of the Delaware General Corporation Law to an appraisal of the fair value of their shares, the notice of such meeting shall contain a statement of that purpose and to that effect and shall be accompanied by a copy of that statutory section.

(c) When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting, are announced at the meeting at which the adjournment is taken unless the adjournment is for more than thirty days, or unless after the
adjournment a new record date is fixed for the adjourned meeting, in which event a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

(d) Notice of the time, place and purpose of any meeting of stockholders may be waived in writing, either before or after such meeting, and, to the extent permitted by law, will be waived by any stockholder by his attendance thereat, in person or by proxy. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

(e) Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Corporation under any provision of Delaware General Corporation Law, the Certificate of Incorporation, or these Bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any such consent shall be deemed revoked if (i) the Corporation is unable to deliver by electronic transmission two consecutive notices given by the Corporation in accordance with such consent, and (ii) such inability becomes known to the secretary or an assistant secretary of the Corporation or to the transfer agent or other person responsible for the giving of notice; provided, however, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action. Notice given pursuant to this subparagraph (e) shall be deemed given: (1) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice; (2) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice; (3) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and (4) if by any other form of electronic transmission, when directed to the stockholder. An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the Corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein. For purposes of these Bylaws, “electronic transmission” means any form of communication, not directly involving the physical transmission of paper, which creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

Section 2.5 Quorum and Voting.

(a) At all meetings of stockholders except where otherwise provided by law, the Certificate of Incorporation or these Bylaws, the presence, in person or by proxy duly authorized, of the holders of a majority of the outstanding shares of stock entitled to vote shall constitute a quorum for the transaction of business. Shares, the voting of which at said meeting have been enjoined, or which for any reason cannot be lawfully voted at such meeting, shall not be counted to determine a quorum at said meeting. In the absence of a quorum, any meeting of stockholders may be adjourned, from time to time, by vote of the holders of a majority of the shares represented thereat, but no other business shall be transacted at such meeting. At such adjourned meeting at which a quorum is present or represented, any business may be transacted which might have been transacted at the original meeting. The stockholders present at a duly called or convened meeting at which a quorum is present may continue to transact business until
adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

(b) Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, all action taken by the holders of a majority of the voting power represented at any meeting at which a quorum is present shall be valid and binding upon the Corporation.

Section 2.6 Voting Rights.

(a) Except as otherwise provided by law, only persons in whose names shares entitled to vote stand on the stock records of the Corporation on the record date for determining the stockholders entitled to vote at said meeting shall be entitled to vote at such meeting. Shares standing in the names of two or more persons shall be voted or represented in accordance with the determination of the majority of such persons, or, if only one of such persons is present in person or represented by proxy, such person shall have the right to vote such shares and such shares shall be deemed to be represented for the purpose of determining a quorum.

(b) Every person entitled to vote or to execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such person or his duly authorized agent, which proxy shall be filed with the Secretary of the Corporation at or before the meeting at which it is to be used. Said proxy so appointed need not be a stockholder. No proxy shall be voted on after three (3) years from its date unless the proxy provides for a longer period. Unless and until voted, every proxy shall be revocable at the pleasure of the person who executed it or of his legal representatives or assigns, except in those cases where an irrevocable proxy permitted by statute has been given.

(c) Without limiting the manner in which a stockholder may authorize another person or persons to act for him as proxy pursuant to subsection (b) of this section, the following shall constitute a valid means by which a stockholder may grant such authority:

(1) A stockholder may execute a writing authorizing another person or persons to act for him as proxy. Execution may be accomplished by the stockholder or his authorized officer, director, employee or agent signing such writing or causing his or her signature to be affixed to such writing by any reasonable means including, but not limited to, by facsimile signature.

(2) A stockholder may authorize another person or persons to act for him as proxy by transmitting or authorizing the transmission of a telephone, telegram, cablegram or other means of electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, provided that any such telephone, telegram, cablegram or other means of electronic transmission must either set forth or be submitted with information from which it can be determined that the telephone, telegram, cablegram or other electronic transmission was authorized by the stockholder. Such authorization can be established by the signature of the stockholder on the proxy, either in writing or by a signature stamp or facsimile signature, or by a number or symbol from which the
identity of the stockholder can be determined, or by any other procedure deemed appropriate by the inspectors or other persons making the determination as to due authorization.

If it is determined that such telegrams, cablegrams or other electronic transmissions are valid, the inspectors or, if there are no inspectors, such other persons making that determination shall specify the information upon which they relied.

(d) Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to subsection (c) of this section may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

Section 2.7 Voting Procedures and Inspectors of Elections.

(a) The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his ability.

(b) The inspectors shall (i) ascertain the number of shares outstanding and the voting power of each, (ii) determine the shares represented at a meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors.

(c) The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting. No ballot, proxies or votes, nor any revocations thereof or changes thereto, shall be accepted by the inspectors after the closing of the polls unless the Court of Chancery upon application by a stockholder shall determine otherwise.

(d) In determining the validity and counting of proxies and ballots, the inspectors shall be limited to an examination of the proxies, any envelopes submitted with those proxies, any information provided in accordance with Sections 211(e) or 212(c)(2) of the Delaware General Corporation Law, or any information provided pursuant to Section 211(a)(2)(B)(i) or (iii) thereof, ballots and the regular books and records of the Corporation, except that the inspectors may consider other reliable information for the limited purpose of reconciling proxies and ballots submitted by or on behalf of banks, brokers, their nominees or similar persons which represent more votes than the holder of a proxy is authorized by the record owner to cast or more votes than the stockholder holds of record. If the inspectors consider other reliable information for the limited purpose permitted herein, the inspectors at the time they make their certification
pursuant to subsection (b)(v) of this section shall specify the precise information considered by them including the person or persons from whom they obtained the information, when the information was obtained, the means by which the information was obtained and the basis for the inspectors’ belief that such information is accurate and reliable.

Section 2.8 List of Stockholders.

The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of and the number of shares registered in the name of each stockholder. The Corporation need not include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

Section 2.9 Stockholder Proposals at Annual Meetings.

At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, otherwise properly brought before the meeting by or at the direction of the Board of Directors, or otherwise properly brought before the meeting by a stockholder. In addition to any other applicable requirements for business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely a stockholder’s notice must be delivered to or mailed and received at the principal executive offices of the Corporation not less than 45 days nor more than 75 days prior to the date on which the Corporation first mailed its proxy materials for the previous year’s annual meeting of stockholders (or the date on which the Corporation mails its proxy materials for the current year if during the prior year the Corporation did not hold an annual meeting or if the date of the annual meeting was changed more than 30 days from the prior year). A stockholder’s notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of the stockholder proposing such business, (iii) the class and number of shares of the Corporation which are beneficially owned by the stockholder, and (iv) any material interest of the stockholder in such business.
Notwithstanding anything in the Bylaws to the contrary, no business shall be conducted at the annual meeting except in accordance with the procedures set forth in Section 2.1 and this Section 2.9, provided, however, that nothing in this Section 2.9 shall be deemed to preclude discussion by any stockholder of any business properly brought before the annual meeting in accordance with said procedure.

The Chairman of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of Section 2.1 and this Section 2.9, and if he should so determine he shall so declare to the meeting, and any such business not properly brought before the meeting shall not be transacted.

Nothing in this Section 2.9 shall affect the right of a stockholder to request inclusion of a proposal in the Corporation's proxy statement to the extent that such right is provided by an applicable rule of the Securities and Exchange Commission.

Section 2.10 Nominations of Persons for Election to the Board of Directors.

In addition to any other applicable requirements, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of the Corporation may be made at a meeting of stockholders by or at the direction of the Board of Directors, by any nominating committee or person appointed by the Board of Directors or by any stockholder of the Corporation entitled to vote for the election of directors at the meeting who complies with the notice procedures set forth in this Section 2.10. Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation, not less than 45 days nor more than 75 days prior to the date on which the Corporation first mailed its proxy materials for the previous year's annual meeting of shareholders (or the date on which the Corporation mails its proxy materials for the current year if during the prior year the Corporation did not hold an annual meeting or if the date of the annual meeting was changed more than 30 days from the prior year). Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director, (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class and number of shares of the Corporation which are beneficially owned by the person, and (iv) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to Rule 14a under the Securities Exchange Act of 1934; and (b) as to the stockholder giving the notice, (i) the name and record address of the stockholder, and (ii) the class and number of shares of the Corporation which are beneficially owned by the stockholder. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth herein. These provisions shall not apply to nomination of any persons entitled to be separately elected by holders of preferred stock. The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made.
in accordance with the foregoing procedure, and if he should so determine, he shall so declare to
the meeting and the defective nomination shall be disregarded.

Section 2.11 Action Without Meeting.

(a) Unless otherwise provided in the Certificate of Incorporation, any action required
by statute to be taken at any annual or special meeting of stockholders of the Corporation, or any
action which may be taken at any annual or special meeting of such stockholders, may be taken
without a meeting, without prior notice and without a vote, if a consent or consents in writing
setting forth the action so taken are signed by the holders of outstanding stock having not less
than the minimum number of votes that would be necessary to authorize or take such action at a
meeting at which all shares entitled to vote thereon were present and voted. To be effective, a
written consent must be delivered to the Corporation by delivery to its registered office in
Delaware, its principal place of business, or an officer or agent of the Corporation having
custody of the book in which proceedings of meetings of stockholders are recorded. Delivery
made to a Corporation’s registered office shall be by hand or by certified or registered mail,
return receipt requested. Every written consent shall bear the date of signature of each
stockholder who signs the consent, and no written consent shall be effective to take the corporate
action referred to therein unless, within 60 days of the earliest dated consent delivered in the
manner required by this Section to the Corporation, written consents signed by a sufficient
number of holders to take action are delivered to the Corporation in accordance with this Section.
Prompt notice of the taking of the corporate action without a meeting by less than unanimous
written consent shall be given to those stockholders who have not consented in writing.

(b) A telegram, cablegram or other electronic transmission consent to an action to be
taken and transmitted by a stockholder or proxyholder, or by a person or persons authorized to
act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for the
purposes of this section, provided that any such telegram, cablegram or other electronic
transmission sets forth or is delivered with information from which the Corporation can
determine (i) that the telegram, cablegram or other electronic transmission was transmitted by the
stockholder or proxyholder or by a person or persons authorized to act for the stockholder or
proxyholder, and (ii) the date on which such stockholder or proxyholder or authorized person or
persons transmitted such telegram, cablegram or electronic transmission. The date on which
such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date
on which such consent was signed. No consent given by telegram, cablegram or other electronic
transmission shall be deemed to have been delivered until such consent is reproduced in paper
form and until such paper form shall be delivered to the Corporation by delivery to its registered
office in this State, its principal place of business or an officer or agent of the Corporation having
custody of the book in which proceedings of meetings of stockholders are recorded. Delivery
made to a Corporation’s registered office shall be made by hand or by certified or registered
mail, return receipt requested. Notwithstanding the foregoing limitations on delivery, consents
given by telegram, cablegram or other electronic transmission may be otherwise delivered to the
principal place of business of the Corporation or to an officer or agent of the Corporation having
custody of the book in which proceedings of meetings of stockholders are recorded if to the
extent and in the manner provided by resolution of the Board of Directors of the Corporation.
(c) Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

ARTICLE III

Directors

Section 3.1 Number and Term of Office.

The number of directors of the Corporation shall not be less than one (1) nor more than five (5), until changed by amendment of the Certificate of Incorporation or by a Bylaw amending this Section 3.1 duly adopted by the vote or written consent of holders of a majority of the outstanding shares or by the Board of Directors. The exact number of directors shall be fixed from time to time, within the limits specified in the Certificate of Incorporation or in this Section 3.1, by a bylaw or amendment thereof duly adopted by the vote of a majority of the shares entitled to vote represented at a duly held meeting at which a quorum is present, or by the written consent of the holders of a majority of the outstanding shares entitled to vote, or by the Board of Directors. Subject to the foregoing provisions for changing the number of directors, the number of directors of the Corporation has been fixed at three (3).

With the exception of the first Board of Directors, which shall be elected by the incorporators, and except as provided in Section 3.3 of this Article III, the directors shall be elected by a plurality vote of the shares represented in person or by proxy, at the stockholders annual meeting in each year and entitled to vote on the election of directors. Elected directors shall hold office until the next annual meeting and until their successors shall be duly elected and qualified. Directors need not be stockholders. If, for any cause, the Board of Directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient at a special meeting of the stockholders called for that purpose in the manner provided in these Bylaws.

Section 3.2 Powers.

The powers of the Corporation shall be exercised, its business conducted and its property controlled by or under the direction of the Board of Directors.

Section 3.3 Vacancies.

Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director, and each director so elected shall hold office for the unexpired portion of the term of the director whose place shall be vacant and until his successor shall have been duly elected and qualified. A vacancy in the Board of Directors shall be deemed to exist under this section in the case of the death, removal or resignation of any director, or if the stockholders fail at any meeting of stockholders at which directors are to be elected (including any meeting referred to in Section 3.4 below) to elect the number of directors then constituting the whole Board.
Section 3.4  Resignations and Removals.

(a) Any director may resign at any time by delivering his resignation to the Secretary in writing or by electronic transmission, such resignation to specify whether it will be effective at a particular time, upon receipt by the Secretary or at the pleasure of the Board of Directors. If no such specification is made it shall be deemed effective at the pleasure of the Board of Directors. When one or more directors shall resign from the Board effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office for the unexpired portion of the term of the director whose place shall be vacated and until his successor shall have been duly elected and qualified.

(b) At a special meeting of stockholders called for the purpose in the manner hereinabove provided, the Board of Directors or any individual director may be removed from office, with or without cause, and a new director or directors elected by a vote of stockholders holding a majority of the outstanding shares entitled to vote at an election of directors.

(c) If the Corporation has cumulative voting for directors, if less than the entire board is to be removed, no director may be removed without cause if the votes cast against his removal would be sufficient to elect him if voted cumulatively at an election of the entire board.

Section 3.5  Meetings.

(a) The annual meeting of the Board of Directors shall be held immediately after the annual stockholders' meeting and at the place where such meeting is held or at the place announced by the Chairman at such meeting. No notice of an annual meeting of the Board of Directors shall be necessary, and such meeting shall be held for the purpose of electing officers and transacting such other business as may lawfully come before it.

(b) Except as hereinafter otherwise provided, regular meetings of the Board of Directors shall be held in the office of the Corporation required to be maintained pursuant to Section 1.2 of Article I hereof. Regular meetings of the Board of Directors may also be held at any place, within or without the State of Delaware, which has been designated by resolutions of the Board of Directors or the written consent of all directors.

(c) Special meetings of the Board of Directors may be held at any time and place within or without the State of Delaware whenever called by the Chairman of the Board or, if there is no Chairman of the Board, by the Chief Executive Officer or by any of the directors.

(d) Written notice of the time and place of all regular and special meetings of the Board of Directors shall be delivered personally to each director or sent by telegram or facsimile transmission or other form of electronic transmission at least 48 hours before the start of the meeting, or sent by first class mail at least 120 hours before the start of the meeting. Notice of any meeting may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat.
Section 3.6  Quorum and Voting.

(a) A quorum of the Board of Directors shall consist of a majority of the exact number of directors fixed from time to time in accordance with Section 3.1 of Article III of these Bylaws, but not less than one; provided, however, at any meeting whether a quorum be present or otherwise, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors, without notice other than by announcement at the meeting.

(b) At each meeting of the Board at which a quorum is present, all questions and business shall be determined by a vote of a majority of the directors present, unless a different vote be required by law, the Certificate of Incorporation, or these Bylaws.

(c) Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or other communication equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

(d) The transactions of any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum be present and if, either before or after the meeting, each of the directors not present shall sign a written waiver of notice, or a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 3.7  Action Without Meeting.

Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board or of such committee, as the case may be, consent thereto in writing or by electronic transmission, and such writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 3.8  Fees and Compensation.

Directors and members of committees may receive such compensation, if any, for their services, and such reimbursement for expenses, as may be fixed or determined by resolution of the Board of Directors.

Section 3.9  Committees.

(a)  Executive Committee: The Board of Directors may appoint an Executive Committee of not less than one member, each of whom shall be a director. The Executive Committee, to the extent permitted by law, shall have and may exercise when the Board of Directors is not in session all powers of the Board in the management of the business and affairs
of the Corporation, except such committee shall not have the power or authority to amend these
Bylaws or to approve or recommend to the stockholders any action which must be submitted to
stockholders for approval under the General Corporation Law.

(b) **Other Committees:** The Board of Directors may, by resolution passed by a
majority of the whole Board, from time to time appoint such other committees as may be
permitted by law. Such other committees appointed by the Board of Directors shall have such
powers and perform such duties as may be prescribed by the resolution or resolutions creating
such committee, but in no event shall any such committee have the powers denied to the
Executive Committee in these Bylaws.

(c) **Term:** The members of all committees of the Board of Directors shall serve a term
coexistent with that of the Board of Directors which shall have appointed such committee. The
Board, subject to the provisions of subsections (a) or (b) of this Section 3.9, may at any time
increase or decrease the number of members of a committee or terminate the existence of a
committee; provided that no committee shall consist of less than one member. The membership
of a committee member shall terminate on the date of his death or voluntary resignation, but the
Board may at any time for any reason remove any individual committee member and the Board
may fill any committee vacancy created by death, resignation, removal or increase in the number
of members of the committee. The Board of Directors may designate one or more directors as
alternate members of any committee, who may replace any absent or disqualified member at any
meeting of the committee, and, in addition, in the absence or disqualification of any member of a
committee, the member or members thereof present at any meeting and not disqualified from
voting, whether or not he or they constitute a quorum, may unanimously appoint another member
of the Board of Directors to act at the meeting in the place of any such absent or disqualified
member.

(d) **Meetings:** Unless the Board of Directors shall otherwise provide, regular
meetings of the Executive Committee or any other committee appointed pursuant to this
Section 3.9 shall be held at such times and places as are determined by the Board of Directors, or
by any such committee, and when notice thereof has been given to each member of such
committee, no further notice of such regular meetings need be given thereafter; special meetings
of any such committee may be held at the principal office of the Corporation required to be
maintained pursuant to Section 1.2 of Article I hereof; or at any place which has been designated
from time to time by resolution of such committee or by written consent of all members thereof,
and may be called by any director who is a member of such committee upon written notice to the
members of such committee of the time and place of such special meeting given in the manner
provided for the giving of written notice to members of the Board of Directors of the time and
place of special meetings of the Board of Directors. Notice of any special meeting of any
committee may be waived in writing at any time after the meeting and will be waived by any
director by attendance thereat. A majority of the authorized number of members of any such
committee shall constitute a quorum for the transaction of business, and the act of a majority of
those present at any meeting at which a quorum is present shall be the act of such committee.
ARTICLE IV

Officers

Section 4.1 Officers Designated.

The officers of the Corporation shall be a Chief Executive Officer, a President, a Secretary and a Treasurer (or Chief Financial Officer). The Board of Directors may also appoint a Chairman of the Board, one or more Vice-Presidents, assistant secretaries, assistant treasurers, and such other officers and agents with such powers and duties as it or he shall deem necessary. The order of the seniority of the Vice-Presidents shall be in the order of their nomination unless otherwise determined by the Board of Directors. The Board of Directors may assign such additional titles to one or more of the officers as they shall deem appropriate. Any one person may hold any number of offices of the Corporation at any one time unless specifically prohibited therefrom by law. The salaries and other compensation of the officers of the Corporation shall be fixed by or in the manner designated by the Board of Directors.

Section 4.2 Tenure and Duties of Officers.

(a) General: All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors. Nothing in these Bylaws shall be construed as creating any kind of contractual right to employment with the Corporation.

(b) Duties of the Chief Executive Officer: The Chief Executive Officer shall be the chief executive officer of the Corporation and when present shall preside at all meetings of the stockholders, unless the Chairman of the Board of Directors has been appointed and is present. The Chief Executive Officer shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

(c) Duties of President: The President shall perform such duties and have such powers as the Board of Directors shall designate from time to time.

(d) Duties of Vice-Presidents: The Vice-Presidents, in the order of their seniority, may assume and perform the duties of the President in the absence or disability of the President or whenever the office of the President is vacant. The Vice-President shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

(e) Duties of Secretary: The Secretary shall attend all meetings of the stockholders and of the Board of Directors and any committee thereof, and shall record all acts and proceedings thereof in the minute book of the Corporation, which may be maintained in either paper or electronic form. The Secretary shall give notice, in conformity with these Bylaws, of all meetings of the stockholders and of all meetings of the Board of Directors and any Committee thereof requiring notice. The Secretary shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time. The Board of Directors may direct any assistant secretary to assume and perform the duties of the Secretary in the absence or
disability of the Secretary, and each assistant secretary shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

(f) **Duties of Treasurer:** The Treasurer shall keep or cause to be kept the books of account of the Corporation in a thorough and proper manner, and shall render statements of the financial affairs of the Corporation in such form and as often as required by the Board of Directors. The Treasurer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the Corporation. The Treasurer shall perform all other duties commonly incident to his office and shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time. The Board of Directors may direct any assistant treasurer to assume and perform the duties of the Treasurer in the absence or disability of the Treasurer, and each assistant treasurer shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

**ARTICLE V**

**Execution of Corporate Instruments, and Voting of Securities Owned by the Corporation**

**Section 5.1 Execution of Corporate Instruments.**

(a) The Board of Directors may in its discretion determine the method and designate the signatory officer or officers, or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except where otherwise provided by law, and such execution or signature shall be binding upon the Corporation.

(b) Unless otherwise specifically determined by the Board of Directors or otherwise required by law, formal contracts of the Corporation, promissory notes, deeds of trust, mortgages and other evidences of indebtedness of the Corporation, and other corporate instruments or documents requiring the corporate seal, and certificates of shares of stock owned by the Corporation, shall be executed, signed or endorsed by the Chairman of the Board (if there be such an officer appointed) or by the Chief Executive Officer; such documents may also be executed by the President, any Vice-President and by the Secretary or Treasurer or any assistant secretary or assistant treasurer. All other instruments and documents requiring the corporate signature but not requiring the corporate seal may be executed as aforesaid or in such other manner as may be directed by the Board of Directors.

(c) All checks and drafts drawn on banks or other depositaries on funds to the credit of the Corporation or in special accounts of the Corporation shall be signed by such person or persons as the Board of Directors shall authorize so to do.

(d) Execution of any corporate instrument may be effected in such form, either manual, facsimile or electronic signature, as may be authorized by the Board of Directors.

**Section 5.2 Voting of Securities Owned by Corporation.**

All stock and other securities of other corporations owned or held by the Corporation for itself or for other parties in any capacity shall be voted, and all proxies with respect thereto shall
be executed, by the person authorized so to do by resolution of the Board of Directors or, in the absence of such authorization, by the Chairman of the Board (if there be such an officer appointed), or by the Chief Executive Officer, the President or any Vice-President.

ARTICLE VI

Shares of Stock

Section 6.1 Form and Execution of Certificates.

The shares of the Corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Certificates for the shares of stock of the Corporation shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock in the Corporation shall be entitled to have a certificate signed by, or in the name of the Corporation by, the Chairman of the Board (if there be such an officer appointed), or by the Chief Executive Officer, the President or any Vice-President and by the Treasurer or assistant treasurer or the Secretary or assistant secretary, certifying the number of shares owned by him in the Corporation. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he were such officer, transfer agent, or registrar at the date of issue. If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock, provided that, except as otherwise provided in section 202 of the Delaware General Corporation Law, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock, a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 6.2 Lost Certificates.

The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his legal representative, to indemnify the Corporation in such manner as it shall require and/or to give the Corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be
made against the Corporation with respect to the certificate alleged to have been lost or destroyed.

Section 6.3 Transfers.

Transfers of record of shares of stock of the Corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and upon the surrender of a certificate or certificates for a like number of shares, properly endorsed.

Section 6.4 Fixing Record Dates.

(a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the date on which the meeting is held. A determination of stockholders of record entitled notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing or by electronic transmission without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing or by electronic transmission without a meeting, when no prior action by the Board of Directors is required by the Delaware General Corporation Law, shall be the first date on which a signed written consent or electronic transmission setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded; provided that any such electronic transmission shall satisfy the requirements of Section 2.11(b) and, unless the Board of Directors otherwise provides by resolution, no such consent by electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form shall be delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation’s registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by law, the record date for determining stockholders entitled to consent to corporate action in writing or by electronic transmission without a meeting shall be at the close
of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 6.5 Registered Stockholders.

The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII

Other Securities of the Corporation

All bonds, debentures and other corporate securities of the Corporation, other than stock certificates, may be signed by the Chairman of the Board (if there be such an officer appointed), the Chief Executive Officer, the President or any Vice-President or such other person as may be authorized by the Board of Directors and the corporate seal impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an assistant secretary, or the Treasurer or an assistant treasurer; provided, however, that where any such bond, debenture or other corporate security shall be authenticated by the manual signature of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signature of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an assistant treasurer of the Corporation, or such other person as may be authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon has ceased to be an officer of the Corporation before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the Corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the Corporation.
ARTICLE VIII Indemnification of
Officers and Directors

Section 8.1 Right to Indemnification.

Each person who was or is a party or is threatened to be made a party to or is involved (as a party, witness, or otherwise), in any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (hereinafter a "Proceeding"), by reason of the fact that he, or a person of whom he is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another corporation or of a partnership, joint venture, trust, or other enterprise, including service with respect to employee benefit plans, whether the basis of the Proceeding is alleged action in an official capacity as a director, or officer or in any other capacity while serving as a director or officer (hereinafter an "Agent"), shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended or interpreted (but, in the case of any such amendment or interpretation, only to the extent that such amendment or interpretation permits the Corporation to provide broader indemnification rights than were permitted prior thereto) against all expenses, liability, and loss (including attorneys’ fees, judgments, fines, ERISA excise taxes or penalties, and amounts paid or to be paid in settlement, and any interest, assessments, or other charges imposed thereon, and any federal, state, local, or foreign taxes imposed on any Agent as a result of the actual or deemed receipt of any payments under this Article) reasonably incurred or suffered by such person in connection with investigating, defending, being a witness in, or participating in (including on appeal), or preparing for any of the foregoing in, any Proceeding (hereinafter "Expenses"); provided, however, that except as to actions to enforce indemnification rights pursuant to Section 8.3 of this Article, the Corporation shall indemnify any Agent seeking indemnification in connection with a Proceeding (or part thereof) initiated by such person only if the Proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this Article shall be a contract right.

Section 8.2 Authority to Advance Expenses.

Expenses incurred by an officer or director (acting in his capacity as such) in defending a Proceeding shall be paid by the Corporation in advance of the final disposition of such Proceeding, provided, however, that if required by the Delaware General Corporation Law, as amended, such Expenses shall be advanced only upon delivery to the Corporation of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Article or otherwise. Expenses incurred by other agents of the Corporation (or by the directors or officers not acting in their capacity as such, including service with respect to employee benefit plans) may be advanced upon such terms and conditions as the Board of Directors deems appropriate. Any obligation to reimburse the Corporation for Expense advances shall be unsecured and no interest shall be charged thereon.
Section 8.3   Right of Claimant to Bring Suit.

If a claim under Section 8.1 or 8.2 of this Article is not paid in full by the Corporation within 45 days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense (including attorneys' fees) of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending a Proceeding in advance of its final disposition where the required undertaking has been tendered to the Corporation) that the claimant has not met the standards of conduct that make it permissible under the Delaware General Corporation Law for the Corporation to indemnify the claimant for the amount claimed. The burden of proving such a defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper under the circumstances because he has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant had not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct.

Section 8.4   Provisions Nonexclusive.

The rights conferred on any person by this Article shall not be exclusive of any other rights that such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, agreement, vote of stockholders or disinterested directors, or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office. To the extent that any provision of the Certificate of Incorporation, agreement, or vote of the stockholders or disinterested directors is inconsistent with these Bylaws, the provision, agreement, or vote shall take precedence, but only to the extent that the provision, agreement, or vote provides greater rights to such person than the rights conferred on such person by this Article.

Section 8.5   Authority to Insure.

The Corporation may purchase and maintain insurance to protect itself and any Agent against any Expense, whether or not the Corporation would have the power to indemnify the Agent against such Expense under applicable law or the provisions of this Article.

Section 8.6   Survival of Rights.

The rights provided by this Article shall continue as to a person who has ceased to be an Agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

Section 8.7   Settlement of Claims.

The Corporation shall not be liable to indemnify any Agent under this Article (a) for any amounts paid in settlement of any action or claim effected without the Corporation's written
consent, which consent shall not be unreasonably withheld; or (b) for any judicial award if the Corporation was not given a reasonable and timely opportunity, at its expense, to participate in the defense of such action.

Section 8.8 Effect of Amendment.

Any amendment, repeal, or modification of this Article shall not eliminate or reduce the effect of this Article in respect of any matters occurring, or any Proceeding accruing or arising (or any Proceeding that, but for this Article, would accrue or arise), prior to such amendment, repeal, or modification.

Section 8.9 Subrogation.

In the event of payment under this Article, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of the Agent, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Corporation effectively to bring suit to enforce such rights.

Section 8.10 No Duplication of Payments.

The Corporation shall not be liable under this Article to make any payment in connection with any claim made against the Agent to the extent the Agent has otherwise actually received payment (under any insurance policy, agreement, vote, or otherwise) of the amounts otherwise indemnifiable hereunder.

ARTICLE IX

Notices

Whenever, under any provision of these Bylaws, notice is required to be given to any stockholder, the same shall be given either (1) in writing, timely and duly deposited in the United States Mail, postage prepaid, and addressed to his last known address as shown by the stock record of the Corporation or its transfer agent, or (2) by a means of electronic transmission that satisfies the requirements of Section 2.4(e) of these Bylaws, and has been consented to by the stockholder to whom the notice is given. Any notice required to be given to any director may be given by either of the methods hereinabove stated, except that such notice other than one which is delivered personally, shall be sent to such address or (in the case of electronic communication) such e-mail address, facsimile telephone number or other form of electronic address as such director shall have filed in writing or by electronic communication with the Secretary of the Corporation, or, in the absence of such filing, to the last known address of such director. If no address of a stockholder or director be known, such notice may be sent to the office of the Corporation required to be maintained pursuant to Section 1.2 of Article I hereof. An affidavit of mailing, executed by a duly authorized and competent employee of the Corporation or its transfer agent appointed with respect to the class of stock affected, specifying the name and address or the names and addresses of the stockholder or stockholders, director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall be conclusive evidence of the statements therein contained. All notices given by mail, as
above provided, shall be deemed to have been given as at the time of mailing, and all notices
given by means of electronic transmission shall be deemed to have been given as at the sending
time recorded by the electronic transmission equipment operator transmitting the same. It shall
not be necessary that the same method of giving notice be employed in respect of all directors,
but one permissible method may be employed in respect of any one or more, and any other
permissible method or methods may be employed in respect of any other or others. The period
or limitation of time within which any stockholder may exercise any option or right, or enjoy any
privilege or benefit, or be required to act, or within which any director may exercise any power
or right, or enjoy any privilege, pursuant to any notice sent him in the manner above provided,
shall not be affected or extended in any manner by the failure of such a stockholder or such
director to receive such notice. Whenever any notice is required to be given under the provisions
of the statutes or of the Certificate of Incorporation, or of these Bylaws, a waiver thereof in
writing signed by the person or persons entitled to said notice, or a waiver by electronic
transmission by the person entitled to notice, whether before or after the time stated therein, shall
be deemed equivalent thereto. Whenever notice is required to be given, under any provision of
law or of the Certificate of Incorporation or Bylaws of the Corporation, to any person with whom
communication is unlawful, the giving of such notice to such person shall not be required and
there shall be no duty to apply to any governmental authority or agency for a license or permit to
give such notice to such person. Any action or meeting which shall be taken or held without
notice to any such person with whom communication is unlawful shall have the same force and
effect as if such notice had been duly given. In the event that the action taken by the Corporation
is such as to require the filing of a certificate under any provision of the Delaware General
Corporation Law, the certificate shall state, if such is the fact and if notice is required, that notice
was given to all persons entitled to receive notice except such persons with whom
communication is unlawful.

**ARTICLE X**

**Amendments**

Except as otherwise provided in the Certificate of Incorporation, these Bylaws may be
repealed, altered or amended or new Bylaws adopted by written consent of stockholders in the
manner authorized by Section 2.11 of Article II, or at any meeting of the stockholders, either
annual or special, by the affirmative vote of a majority of the stock entitled to vote at such
meeting, unless a larger vote is required by these Bylaws or the Certificate of Incorporation.
Except as otherwise provided in the Certificate of Incorporation, the Board of Directors shall
also have the authority to repeal, alter or amend these Bylaws or adopt new Bylaws (including,
without limitation, the amendment of any Bylaws setting forth the number of directors who shall
constitute the whole Board of Directors) by unanimous written consent or at any annual, regular,
or special meeting by the affirmative vote of a majority of the whole number of directors, subject
to the power of the stockholders to change or repeal such Bylaws and provided that the Board of
Directors shall not make or alter any Bylaws fixing the qualifications, classifications, or term of
office of directors.
ARTICLE XI Annual and Other Reports

Section 11.1 Reports to Stockholders.

The Board of Directors of the Corporation shall cause an annual report to be sent to the stockholders not later than 120 days after the close of the fiscal year, and at least fifteen (15) days (or, if sent by third-class mail, thirty-five (35) days) prior to the annual meeting of stockholders to be held during the next fiscal year. If approved by the Board of Directors, the report and any accompanying material may be sent by electronic transmission by the Corporation (as defined in Section 2.4 hereof). This report shall contain a balance sheet as of the end of that fiscal year and an income statement and statement of changes in financial position for that fiscal year, accompanied by any report thereon of independent accountants or, if there is no such report, the certificate of an authorized officer of the Corporation that the statements were prepared without audit from the books and records of the Corporation.

If no annual report for the last fiscal year has been sent to stockholders, the Corporation shall, upon the written request of any stockholder made more than 120 days after the close of such fiscal year, deliver (including by electronic transmission by the Corporation (as defined in Section 2.4 hereof) or mail to the person making the request within thirty (30) days thereafter the financial statements for such year. A stockholder or stockholders holding at least five percent (5%) of the outstanding shares of any class of the Corporation may make a written request to the Corporation for an income statement of the Corporation for the three-month, six-month or nine-month period of the current fiscal year ended more than thirty (30) days prior to the date of the request and a balance sheet of the Corporation as of the end of such period and, in addition, if no annual report for the last fiscal year has been sent to stockholders, the annual report for the last fiscal year, unless such report has been waived under these Bylaws. The statements shall be delivered (including by electronic transmission by the Corporation (as defined in Section 2.4 hereof) if such transmission is permitted to such stockholder pursuant to such definition) or mailed to the person making the request within thirty (30) days thereafter. A copy of any such statements shall be kept on file in the principal executive office of the Corporation for twelve (12) months, and they shall be exhibited at all reasonable times to any stockholder demanding an examination of the statements, or a copy shall be mailed to the stockholder.

The quarterly income statements and balance sheets referred to in this section shall be accompanied by the report thereon, if any, of any independent accountants engaged by the Corporation or the certificate of an authorized officer of the Corporation that the financial statements were prepared without audit from the books and records of the Corporation.

ARTICLE XII Right of First Refusal

Section 12.1 Right of First Refusal.

No stockholder shall sell, assign, pledge, or in any manner transfer any of the shares of common stock of the Corporation or any right or interest therein, whether voluntarily or by
operation of law, or by gift or otherwise, except by a transfer which meets the requirements hereinafter set forth in this bylaw:

(a) (i) In the event a stockholder receives from anyone a bona fide offer acceptable to such stockholder to purchase any of such stockholder’s shares of common stock or (ii) in the event of a restricted transfer (as defined below) by a stockholder, such stockholder shall give written notice thereof to the Corporation. The notice shall name the proposed transferee and state the number of shares, right or interest to be transferred, the price per share and all other terms and conditions of the offer or restricted transfer, as applicable. As used herein, “restricted transfer” shall mean: (A) the filing of a petition in bankruptcy by or against a stockholder; (B) an adjudication that a stockholder is an insane or incompetent person; (C) any assignment by a stockholder for the benefit of his, her or its creditors; (D) any transfer, award, or confirmation of any common stock to a stockholder’s spouse pursuant to a decree of divorce, dissolution, or separate maintenance, or pursuant to a property settlement or separation agreement; (E) any testamentary or other similar disposition of any interest in any common stock upon a stockholder’s death; (F) the disability of a stockholder; (G) the termination of a stockholder’s services to the Corporation; and (H) a gift from a stockholder to anyone who is not already a stockholder of the Corporation at the time of the gift.

(b) For thirty (30) days following receipt of such notice, the Corporation or its assigns shall have the option to purchase all or any lesser part of the shares specified in the notice at the price and upon the terms set forth in such bona fide offer; provided, however, that in the event of a restricted transfer, the purchase price per share shall equal the net book value per share of the common stock of the Corporation determined on a fully diluted, fully converted basis as of the last day of the preceding fiscal year, as determined by the independent accountants of the Corporation (or, in the event that the Corporation has not engaged an independent accountant, the Board of Directors of the Corporation) based on their review, but not necessarily an audit, of the Corporation’s financial statements. Net book value shall be calculated using the historical cost of the Corporation’s assets as reflected on its financial statements decreased by any depreciation, amortization or other cost recover method consistently applied for financial accounting purposes. Net book value shall not include any unrealized gain or loss on the Corporation’s assets or the value, if any, of the Corporation’s goodwill or other assets that are not reflected on the Corporation’s financial statements.

(c) In the event the Corporation elects to purchase all or any part of the shares, the Secretary of the Corporation shall give written notice to the selling stockholder of such election and the Corporation shall, within thirty (30) days after the Secretary of the Corporation mails such notice, deliver to the selling stockholder the consideration set forth in the selling stockholder’s notice of sale.

(d) In the event that such shares are not purchased by the Corporation, the selling stockholder may, within the sixty (60) day period following the expiration of the option rights granted to the Corporation, sell elsewhere the shares specified in said selling stockholder’s notice which were not acquired by the Corporation in accordance with the provisions of paragraph (c) of this bylaw, provided that said sale shall not be on terms and conditions more favorable to the purchaser than those contained in the bona fide offer set forth in said selling stockholder’s notice.
All shares so sold by said selling stockholder shall continue to be subject to the provisions of this bylaw in the same manner as before said transfer.

(e) Anything to the contrary contained herein notwithstanding, the following transactions shall be exempt from the provisions of this bylaw:

1. A stockholder's transfer of any or all shares held during such stockholder's lifetime to (i) such stockholder's immediate family; (ii) to an Inter Vivos Trust, all of the beneficiaries of which are beneficiaries of the stockholder; (iii) to a corporation, partnership, or limited liability company or similar entity, provided the stockholder, or a stockholder and members of his or her family, owns a majority of the capital stock or other ownership interest in such transferee entity; or (iv) to a family trust, provided the stockholder is the trustee of the trust. “Immediate family” as used herein shall mean a spouse (subject to limitations in the event of a restricted transfer), lineal descendent, father, mother, brother, sister, niece or nephew of the stockholder making such transfer.

2. A stockholder's bona fide pledge or mortgage of any shares of common stock with a commercial lending institution, provided that any subsequent transfer of said shares by said institution shall be conducted in the manner set forth in this bylaw.

3. A stockholder’s transfer of any or all of such stockholder’s shares of common stock to any other stockholder of the Corporation.

4. A stockholder’s transfer of any or all of such stockholders shares of common stock to a person who, at the time of such transfer, is an officer or director of the Corporation.

5. A corporate stockholder’s transfer of any or all of its shares of common stock pursuant to and in accordance with the terms of any merger, consolidation, reclassification of shares or capital reorganization of the corporate stockholder, or pursuant to a sale of all or substantially all of the stock or assets of a corporate stockholder.

6. A corporate stockholder’s transfer of any or all of its shares of common stock to any or all of its stockholders.

7. A transfer by a stockholder which is a limited or general partnership to any or all of its partners.

In any such case, the transferee, assignee, or other recipient shall receive and hold such stock subject to the provisions of this bylaw, and there shall be no further transfer of such stock except in accord with this bylaw.

(f) The provisions of this bylaw may be waived with respect to any transfer either by the Corporation, upon duly authorized action of its Board of Directors, or by the stockholders, upon the express written consent of the owners of a majority of the voting power of the Corporation (excluding the votes represented by those shares to be sold by the selling stockholder). This bylaw may be amended or repealed either by a duly authorized action of the Board of Directors or by the stockholders, upon the express written consent of the owners of a majority of the voting power of the Corporation.
(g) Any sale or transfer, or purported sale or transfer, of securities of the Corporation by stockholders shall be null and void unless the terms, conditions, and provisions of this bylaw are strictly observed and followed.

(h) The foregoing right of first refusal shall terminate upon the date securities of the Corporation are first offered to the public pursuant to a registration statement filed with, and declared effective by, the Securities and Exchange Commission under the Securities Act of 1933, as amended.

(i) The certificates representing shares of common stock of the Corporation shall bear on their face the following legend so long as the foregoing right of first refusal remains in effect:

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A RIGHT OF FIRST REFUSAL OPTION, AS PROVIDED IN THE BYLAWS OF THE CORPORATION."

Whenever the Corporation shall have the right to purchase common stock under this right of first refusal, the Corporation may designate and assign to one or more employees, officers, directors or stockholders of the Corporation or other persons or organizations, to exercise all or a part of the Corporation’s right of first refusal.
CERTIFICATE OF SECRETARY

The undersigned, Secretary of TQLA MANAGEMENT CORP., a Delaware corporation, hereby certifies that the foregoing is a full, true and correct copy of the Bylaws of the Corporation, with all amendments through the date of this Certificate.

WITNESS, the signature of the undersigned, dated as of January 25, 2017.

[Signature]

Nick Palacios, Corporate Secretary

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARD TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

Jeffrey W. Bullock, Secretary of State
STATE OF DELAWARE
CERTIFICATE OF INCORPORATION
OF TQLA MANAGEMENT CORP.

FIRST: The name of this Corporation shall be: TQLA MANAGEMENT CORP.

SECOND: The Registered Office of the corporation in the State of Delaware is located at 1209 Orange Street, Corporation Trust Center in the City of Wilmington, Delaware, County of New Castle, Zip Code 19801. The name of the Registered Agent at such address upon whom process against this corporation may be served is The Corporation Trust Company.

THIRD: The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH:

A. The Corporation is authorized to issue a total of Ten Million (10,000,000) shares of stock. Eight Million Five Hundred Thousand (8,500,000) shares shall be designated “Common Stock” with a par value of $0.0001 per share and One Million Five Hundred Thousand (1,500,000) shares shall be designated “Preferred Stock” with a par value of $0.0001 per share.

B. The Preferred Stock may be divided into such number or series as the Board of Directors may determine. The Board of Directors is authorized to determine and alter the rights, preferences and privileges granted to and imposed upon any wholly unissued series of Preferred Stock, and to fix the number of shares of any series of Preferred Stock and the designation of any such series of Preferred Stock. The Board of Directors, within the limits and restrictions stated in any resolution or resolutions of the Board of Directors originally fixing the number of shares constituting any series, may increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any series subsequent to the issue of shares of that series.

FIFTH: The name and address of the incorporator is as follows:

Mary A. Parker

SIXTH: The Board of Directors is authorized to make, adopt, amend, alter or repeal the Bylaws of the Corporation. The stockholders shall also have the power to make, adopt, amend, alter or repeal the Bylaws of the Corporation.
SEVENTH: The business and affairs of the corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and authority expressly conferred upon them by statute or by this Certificate of Incorporation or the Bylaws of the Corporation, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation. Election of directors need not be by written ballot, unless the Bylaws so provide.

EIGHTH:

A. To the fullest extent permitted by applicable law, as the same exists or as may be hereafter amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director.

B. The Corporation shall indemnify to the fullest extent permitted by law any person made or threatened to be made a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he, his testator or intestate is or was a director of officer of the Corporation or any predecessor of the Corporation, or serves or served at any other enterprise as a director or officer as the request of the Corporation or any predecessor corporation.

C. Neither any amendment nor repeal of this Article EIGHTH nor the adoption of any provision of the Corporation's Certificate of Incorporation inconsistent with this Article EIGHTH shall eliminate or reduce the effect of this Article EIGHTH in respect to any matter occurring, or any action or proceeding accruing or arising or that, but for this Article EIGHTH, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

IN WITNESS WHEREOF, the undersigned, being the incorporator herein before named, has executed, signed and acknowledged this Certificate of Incorporation as of January 24, 2017.

MARY A. PARKER  
Sole Incorporator
STATE OF DELAWARE
CERTIFICATE OF INCORPORATION
OF
TQLA MANAGEMENT CORP.

FIRST: The name of this Corporation shall be: **TQLA MANAGEMENT CORP.**

SECOND: The Registered Office of the corporation in the State of Delaware is located at 1209 Orange Street, Corporation Trust Center in the City of Wilmington, Delaware, County of New Castle, Zip Code 19801. The name of the Registered Agent at such address upon whom process against this corporation may be served is The Corporation Trust Company.

THIRD: The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH:

A. The Corporation is authorized to issue a total of Ten Million (10,000,000) shares of stock. Eight Million Five Hundred Thousand (8,500,000) shares shall be designated "Common Stock" with a par value of $0.0001 per share and One Million Five Hundred Thousand (1,500,000) shares shall be designated "Preferred Stock" with a par value of $0.0001 per share.

B. The Preferred Stock may be divided into such number or series as the Board of Directors may determine. The Board of Directors is authorized to determine and alter the rights, preferences and privileges granted to and imposed upon any wholly unissued series of Preferred Stock, and to fix the number of shares of any series of Preferred Stock and the designation of any such series of Preferred Stock. The Board of Directors, within the limits and restrictions stated in any resolution or resolutions of the Board of Directors originally fixing the number of shares constituting any series, may increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any series subsequent to the issue of shares of that series.

FIFTH: The name and address of the incorporator is as follows:

Mary A. Parker

[Redacted]

SIXTH: The Board of Directors is authorized to make, adopt, amend, alter or repeal the Bylaws of the Corporation. The stockholders shall also have the power to make, adopt, amend, alter or repeal the Bylaws of the Corporation.
SEVENTH: The business and affairs of the corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and authority expressly conferred upon them by statute or by this Certificate of Incorporation or the Bylaws of the Corporation, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation. Election of directors need not be by written ballot, unless the Bylaws so provide.

EIGHTH:

A. To the fullest extent permitted by applicable law, as the same exists or as may be hereafter amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director.

B. The Corporation shall indemnify to the fullest extent permitted by law any person made or threatened to be made a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he, his testator or intestate is or was a director of officer of the Corporation or any predecessor of the Corporation, or serves or served at any other enterprise as a director or officer as the request of the Corporation or any predecessor corporation.

C. Neither any amendment nor repeal of this Article EIGHTH nor the adoption of any provision of the Corporation’s Certificate of Incorporation inconsistent with this Article EIGHTH shall eliminate or reduce the effect of this Article EIGHTH in respect to any matter occurring, or any action or proceeding accruing or arising or that, but for this Article EIGHTH, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

IN WITNESS WHEREOF, the undersigned, being the incorporator herein before named, has executed, signed and acknowledged this Certificate of Incorporation as of January 25, 2017.

MARY A. PARKER
Sole Incorporator
COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
03/10/2017

TO ALL WHOM THESE PRESENTS SHALL COME, GREETING:

TQLA Management Corp.

I, Pedro A. Cortés, Secretary of the Commonwealth of Pennsylvania, do hereby certify that the foregoing and annexed is a true and correct copy of

Creation Filing filed on Mar 8, 2017 - Pages (2)

which appear of record in this department.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed, the day and year above written

Pedro A. Cortés
Secretary of the Commonwealth

Certification Number: TSC170310171875-1
Verify this certificate online at http://www.corporations.pa.gov/orders/verify.aspx
Read all instructions prior to completing. This form may be submitted online at https://www.corporations.pa.gov.

Fee: $250

In compliance with the requirements of the applicable provisions of 15 Pa.C.S. § 412 (relating to foreign registration statement), the undersigned foreign association hereby states that:

1. The type of association is (check only one):

- [X] Business Corporation
- [ ] Limited Partnership
- [ ] Business Trust
- [ ] Nonprofit Corporation
- [ ] Limited Liability (General) Partnership
- [ ] Professional Association
- [ ] Limited Liability Company
- [ ] Limited Liability Limited Partnership

2. The full and proper name of the foreign association as registered in its jurisdiction of formation is:

TQLA Management Corp.

2A. If the name in 2 does not contain a required designator or if the name in 2 is not available for use in the Commonwealth, the alternate name under which the association is registering in this Commonwealth is:

3. The jurisdiction of formation: DE

4. The street and mailing address of the association’s principal office.

<table>
<thead>
<tr>
<th>Number and street</th>
<th>City</th>
<th>State</th>
<th>Zip</th>
</tr>
</thead>
<tbody>
<tr>
<td>1230 2nd Ave S,</td>
<td>Nashville</td>
<td>TN</td>
<td>37210</td>
</tr>
</tbody>
</table>

4A. The street and mailing address of the office, if any, required to be maintained by the law of the association’s jurisdiction of formation in that jurisdiction:

<table>
<thead>
<tr>
<th>Number and street</th>
<th>City</th>
<th>State</th>
<th>Zip</th>
</tr>
</thead>
<tbody>
<tr>
<td>1230 2nd Ave S,</td>
<td>Nashville</td>
<td>TN</td>
<td>37210</td>
</tr>
</tbody>
</table>

PENN File: March 08, 2017
5. The (a) address of the association's registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is:

Complete part (a) OR (b) – not both:

(a) 6877 US 322, Franklin PA 16323 Venango

(b) c/o: ________________________________

Name of Commercial Registered Office Provider County

6. Check one of the following:

☐ The association may not have series.
☒ The association may have one or more series.

7. Effective date of registration of foreign association (check, and if appropriate complete, one of the following):

☒ The Foreign Registration Statement shall be effective upon filing in the Department of State.

☐ The Foreign Registration Statement shall be effective on: ____________________________

Date (MM/DD/YYYY) Hour (if any)

8. To be completed by Limited Liability Companies only. Check, and if appropriate complete, one of the following:

☐ The association is a limited liability company which is not organized to render any of the below professional service(s).

☐ The association is a restricted professional limited liability company organized to render one or more of the following professional service(s): (If this box is checked, one or more of the fields below must be checked.)

☐ Chiropractic ☐ Dentistry ☐ Law ☐ Medicine and surgery

☐ Optometry ☐ Osteopathic medicine and surgery ☐ Podiatric medicine ☐ Public accounting

☐ Psychology ☐ Veterinary medicine

IN TESTIMONY WHEREOF, the undersigned association has caused this Foreign Registration Statement to be signed by a duly authorized representative thereof 8th day of March, 2017

________________________________________
TQLA Management Corp.

______________________________
Name of Association

______________________________
Mary A. Parker

______________________________
Signature

______________________________
CEO

______________________________
Title
Attachment B: Organizational Documents

Instructions:
- Attach certified copies of the applicant's certificate of incorporation, partnership agreement, charter or other such documentation. If the applicant is not organized in Pennsylvania, attach certified copies of documentation that show that the applicant is authorized to do business in Pennsylvania.
- Complete this cover sheet. Scan this sheet and the organizational documents and save it as a PDF file called "Attachment B," using the appropriate file name format.

Business Name, as it appears on the applicant's certificate of incorporation, charter, bylaws, partnership agreement or other legal business formation documents:
Medganic LLC.

Trade names and DBA (doing business as) names:

Principal Business Address: 6877 US 322
City: Franklin  State: PA  Zip Code: 16323

DOH REDACTED
COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE

03/08/2017

TO ALL WHOM THESE PRESENTS SHALL COME, GREETING:

Medganics LLC

I, Pedro A. Cortés, Secretary of the Commonwealth of Pennsylvania, do hereby certify that the foregoing and annexed is a true and correct copy of

Creation Filing filed on Feb 9, 2017 Effective Feb 10, 2017 - Pages (2)

which appear of record in this department.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed, the day and year above written

Pedro A. Cortés
Secretary of the Commonwealth

Certification Number: TSC170308110814-1

Verify this certificate online at http://www.corporations.pa.gov/orders/verify.aspx
Certificate of Organization Domestic Limited Liability Company  
(15 Pa.C.S. § 8913)

Name  
Mary A Parker

Address  
DOH REDACTION

In compliance with the requirements of 15 Pa.C.S. § 8913 (relating to certificate of organization), the undersigned desiring to organize a limited liability company, hereby certifies that:

1. The name of the limited liability company (designator is required, i.e., “company”, “limited” or “limited liability company” or abbreviation):
   Medganics LLC

2. The (a) address of the limited liability company's initial registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is:

   (a) Number and Street  
   6877 US 322

   City  
   Franklin

   State  
   PA

   Zip  
   16323

   County  
   Venango

   (b) Name of Commercial Registered Office Provider  
   c/o:

3. The name and address, including street and number, if any, of each organizer is (all organizers must sign on page 2):

   Name  
   Mary A Parker

   Address  
   DOH REDACTION

   Nickolas P Palacios

4. *Strike out if inapplicable term*

   A member's interest in the company is to be evidenced by a certificate of membership interest.

PENN File: February 9, 2017
5. **Strike out if inapplicable term**
   Management of the company is vested in a manager or managers.

6. The specified effective date, if any is: (month date year hour, if any) 02/10/2017 12:00 AM. 
   month date year hour, if any

7. **Strike out if inapplicable:** The company is a restricted professional company organized to render the following restricted professional service(s):

8. For additional provisions of the certificate, if any, attach an 8½ x 11 sheet.

IN TESTIMONY WHEREOF, the organizer(s) has (have) signed this Certificate of Organization this 09 day of February, 2017.

Mary A Parker  
Signature

Nickolas P Palacios  
Signature
OPERATING AGREEMENT OF

MEDGANICS LLC

THIS OPERATING AGREEMENT is made and entered into as of the 19th day of March, 2017, and is by and among the Members.

WITNESSETH:

WHEREAS, the Members have formed a limited liability company under and pursuant to 2010 Pennsylvania Code, Title 15, Corporations and Unincorporated Associations, Chapter 89, Limited Liability Companies to conduct certain business as a limited liability company, and to set forth their mutual rights and obligations in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, covenants and undertakings hereinafter contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Members hereto agree as follows:

ARTICLE I
Definitions

1.1 Definitions. As used herein the following terms shall have the indicated meanings. Terms not otherwise defined herein shall have the meaning set forth in Act.

(a) "Act" means the 2010 Pennsylvania Code, Title 15, Corporations and Unincorporated Associations, Chapter 89, Limited Liability Companies, in effect on the date hereof and as may be hereafter amended.

(b) "Agreement" means this Operating Agreement and as may be hereafter amended.

(c) "Capital Account" shall have the meaning attributed to such term in Section 4.4 below.

(d) "Cash Flow" of the Company shall mean the Company's taxable income for federal tax purposes, increased by (i) amortization, depreciation and other noncash charges taken in to account in computing taxable income, (ii) any nontaxable income or proceeds from any refinancing of the Company's indebtedness (other than capital contributions) and (iii) the net proceeds from the sale of any of the Company's assets, and reduced by (iv) principal payments on Company indebtedness, (v) any other cash expenditures which have not been deducted in determining the taxable income of the Company and (vi) any amount that the Members determine to be reasonably required to maintain sufficient working capital and a reasonable reserve for operating
expenses. The Cash Flow of the Company shall be determined separately for each fiscal year and not cumulatively.

(e) "Chief Manager" means the initial Chief Manager of the Company as described in Section 7.3 below, or any subsequent Chief Manager as may be elected by the Members.

(f) "Code" means the Internal Revenue Code of 1986, as may be hereafter amended.

(g) "Company" means Medganics LLC, the limited liability company formed in Pennsylvania by the Members.

(h) "Contributed Capital" means, with respect to any Member as of any particular time, the cumulative amount of capital contributions made by such member to the Company less the cumulative amount of distributions made by the Company to such Member, but not to the extent such distributions are attributable to proceeds received by the Company as a result of the sale, refinancing, condemnation or destruction of property of the Company other than in the ordinary course of its business.

(i) "Financial Rights" means the right to share in profits, losses and distributions of the Company and to receive interim and liquidation distributions of the Company.

(j) "Governance Rights" means all of each Member's rights as a member in the Company other than Financial Rights and the right to assign such Financial Rights.

(k) "Managers" means the Chief Manager, Secretary and any other managers who may be designated from time to time by the Members to manage the affairs of the Company pursuant to the provisions of this Agreement.

(l) "Members" means those persons set forth on Schedule A attached hereto as may be hereafter amended, together with any additional members admitted pursuant to the provisions of this Agreement.

(m) "Membership Interest" means each Member's interest in the Company, consisting of (i) the Financial Rights, (ii) the Governance Rights, and (iii) right to assign either the Financial Rights and Governance Rights or both. In the event a member has assigned some or all of his Financial Rights, in such case "Membership Interest" means (I) such Member's Governance Rights, (ii) such Member's rights to assign his Governance Rights, (iii) any remaining Financial Rights of such Member, and (iv) such Member's rights to assign any remaining Financial Rights of such Member.
(n) "Net Losses" means the excess of all expenses of the Company over all income of the Company (including the amount of any losses recognized by the Company on the sale or other disposition of Company property) during a calendar year, all as determined in accordance with the method of accounting utilized by the Company for federal income tax purposes.

(o) "Net Profits" means the excess of all income of the Company over all expenses of the Company (including the amount of any gains recognized by the Company on the sale or other disposition of Company property) during a calendar year, all as determined in accordance with the method of accounting utilized by the Company for federal income tax purposes.

(p) "Percentage Interest" means the interest of each Member, as defined in Section 4.1; "Percentage Interests" means the aggregate Percentage Interest of each Member.

(q) "Secretary" means the initial Secretary of the Company as described in Section 7.4, or any subsequent Secretary as may be elected by the Members.

(r) "Approval of the Members" means the affirmative vote of Members holding more than fifty percent (50%) of the Percentage Interests

ARTICLE II
Formation

2.1 Formation. The Members hereby form a limited liability company under and pursuant to the Act, subject to the terms and conditions set forth in this Agreement.

2.2 Name. The name of the Company shall be Medganics LLC. The Company may adopt and conduct its business under such assumed or trade names as the Members may from time to time determine. The Company shall file any assumed or fictitious name certificates as may be required to conduct business in any state. GRO, LLC shall be a fictitious limited liability company name of the Company.

2.3 Articles of Organization. The Articles of Organization as filed with the Secretary of State of the State of Pennsylvania on or about February 9, 2017, by Mary A. Parker, Attorney, are hereby adopted and ratified by the Members. In the event of a conflict between the terms of this Agreement and the terms of the Articles of Organization, the terms of the Articles of Organization shall prevail.

2.4 The documents filed with the Pennsylvania Secretary of State are attached as Exhibit 1.

ARTICLE III
3.1 **Purpose.** The general purpose and structure is to create a profitable grower/processor and extraction processing business as well as retail dispensary businesses, that includes multiple revenue-generating divisions, all specializing in organically grown cannabis and industrial hemp products. The products will include all products that are legally permitted under PA 2016, Act 16, and subsequent amendments thereto. The Company shall promote and market the company’s products contract with business organizations to market their products and services, sell and distribute company products, and to undertake all other activities necessary to fulfill these purposes and to undertake any other lawful business activity.

3.2 **Powers.** In furtherance of the foregoing purposes, the Company shall have the full power and authority to conduct its business as provided by the Act and applicable law.

3.3 **Mission.** The mission is to capitalize on a rapidly growing market, and to emerge as one of the largest companies involved with organically grown cannabis and industrial hemp, along with other related products.

3.4 **Land.**

Lease or purchase property in Pennsylvania by the Company or by affiliate companies for the purpose of producing the products necessary to promote the business.

3.5 **Proposed Structure.** The Company will be comprised of the following divisions: (a) GRO Grower/Processor; and, (b) Medganics Dispensaries.

a. **GRO Grower/Processor**

This division will allow for the cultivation, extraction and production of high quality medicinal products for sale to dispensaries. Production cultivation and extraction lab will take place in a state of the art greenhouse operation, initially located in Jefferson County, PA, with such other locations to be determined by the Members in compliance with the laws of PA.

b. **Medganics Dispensaries**

This division will allow for the operation of 3 dispensaries in locations as permitted by the laws of PA, including regulations determined by the PA Department of Health. Medganics will set up its own dispensaries and implement its retail division, having its branded product line as well as products sourced from other vendors, if necessary.
ARTICLE IV
Capital

4.1 Capital Contributions and Percentage Interest. Each Member has made the contributions to the capital of the Company in the amounts set forth on Schedule A attached hereto. Except as adjusted or revised pursuant to the terms of this Agreement, each Member's Percentage Interest shall equal the percentage set forth for each such member on Schedule A. There is a percentage reserved for sale to financial investors or distribution to service providers. In the event that reserved percentage is depleted, additional percentage interests will dilute from the Members in equal percentage points.

4.2 Additional Capital Contributions. If the Members determine that the Company requires additional capital contributions, each of the Members shall contribute the funds required according to such Member's Percentage Interest. Such determination may only be made by the majority vote of the Percentage Interest in the Company. The total amount and timing of such additional capital contributions shall be determined by the Members. Unless otherwise specified by the Members in the determination of additional capital contribution, the Chief Manager shall specify the payment date for additional capital contributions upon ten (10) days prior written notice to the Members consistent with such determination.

The provisions of this Section 4.2 constitute an agreement among the Members only and are not intended to create any right or interest on behalf of any person who is not a Member or require any Member to make a capital contribution for the benefit of any person who is not a Member.

4.3 No Interest or Right to Withdraw. No Member shall have the right to demand the return of, or otherwise withdraw, his contribution to capital as stated on Schedule A, or to receive any specific property of the Company, except as specifically provided in this Agreement. No Member shall have the right to demand and receive property other than cash in return for his contributions. No interest shall be paid on capital contributions or on balances in capital accounts.

4.4 Capital Accounts. A capital account ("Capital Account") shall be established on the books of the Company for each Member. Each Capital Account shall be established and maintained in accordance with the provisions of Treasury Regulation § 1.704-(b)(2)(iv). In general, each Capital Account shall be increased by the amount of each Member's contributions to the Company as and when made and with that Member's share of Net Profits. Each Member's Capital Account shall be decreased by his share of Net Losses and with the amount of all distributions made by the Company to that Member. Capital Accounts shall be adjusted by minimum gain charge backs if required by Treas. Regs. 1.704-2(b)(i).
4.5 **Statements of Membership Interests.** Within five (5) days after the written request of any Member, the Secretary shall provide to such Member a written statement of the particular Membership interest owned by such Member as of the time the Company makes such written statement. Such statement of Membership Interest shall not be deemed to be a certificated security, a negotiable instrument, nor a bond or stocks, and shall not be a vehicle by which any transfer of any Member's Membership Interest may be affected.

4.6 **Remedies in Event of Default.** In the event that (a) the Members determine that additional contributions of capital are required as provided in Section 4.2, and (b) any Member fails to make the contribution required of him on or before the sixtieth (60th) calendar day following the due date specified by the Managers, the Percentage Interests of the Members shall be recomputed effective as of the due date of such additional capital contributions. In such event, the Percentage Interest of each Member shall be the amount of such Member's Contributed Capital divided by the aggregate amount of Contributed Capital for all Members. Alternatively, if the non-defaulting Members so determine by a unanimous vote of the Percentage Interests of the non-defaulting Members in the Company, the Company may elect one of the following remedies:

(a) subordinate such defaulting Member's Membership Interest to that of all non-defaulting Members;

(b) conduct a forced sale of such defaulting Member's Membership Interest;

(c) forfeit such defaulting Member's Membership Interest;

(d) lend to such defaulting Member that amount necessary or appropriate to meet such defaulting Member's commitment and the charging of interest thereon of up to the highest rate allowed by law, with the repayments of such indebtedness made from the first distributions from such defaulting Member's Interest; or

(e) fix the value of such defaulting Member's Membership Interest by appraisal or by formula adopted by all members and redeem or sell such defaulting Member's Membership Interest at such value.

**ARTICLE V**

**Allocations**

5.1 **Allocations.** Except as otherwise provided herein, the Net Profits, Net Losses and other tax attributes of the Company for each fiscal year shall be allocated in accordance with each Member's Percentage Interest. Net Income or Net Loss allocable to any member whose Membership Interest or Financial Rights have been
assigned, in whole or in part, during any fiscal year shall be allocated among the persons who were the holders of such Membership Interest or Financial Rights during such fiscal year in proportion to their respective holding periods, without separate determination of the results of Company operations during such periods. Net Profits or Net Losses attributable to a sale or other disposition of all or any portion of the assets of the Company shall be allocated to those Members who were Members at the time of the occurrence of the disposition giving rise to such Net Profits or Net Losses.

5.2 Distribution of Cash Flow. Subject to the provision of the Act, Cash Flow generated from Company operations, after application of the provisions of Article IV above, may be distributed to the Members in such amounts and at such time as the Members holding a majority of the Percentage Interests shall determine. All distributions of Cash Flow shall be made in accordance with the Percentage Interests of the Members.

5.3 Special Tax Allocations.

(a) Notwithstanding any other provisions of this Article V, if there is a net decrease during a Company taxable year in the minimum gain attributable to a nonrecourse debt, then any Member with a share of the minimum gain attributable to such debt at the beginning of such year shall be allocated items of Company income and gain for such year (and, if necessary, for subsequent years) equal to such Member's share of the net decrease in the minimum gain attributable to such nonrecourse debt. The allocations under this Section 5.3 shall be interpreted in a manner to conform with Treas. Regs. § 1.704-2.

(b) Notwithstanding any other provision of this Article V, if a Member's Capital Account, increased for this purpose by any Member's share of minimum gain, is reduced below zero due to: (1) an unexpected allocation of loss or deduction pursuant to Code Sections 706(d), 704(e)(2) or Treas. Regs. § 1.751-1(b)(2)(ii) or (2) distributions to such Member (to the extent they exceed reasonably expected offsetting increases in such Member's Capital Account), then such Member shall be allocated, as quickly as possible, items of Company income and gain (consisting of a pro rata portion of each item of partnership income, including gross income, and gain for such year) equal to an amount required to eliminate such deficit. Such allocation shall be interpreted to conform with Treas. Regs. §§ 1.704-1(b)(2)(ii)(d).

5.4 Initial Expenses. All expenses incurred by the Members in moving forward to start the Company shall be borne by the Company. The Members shall each keep individual, complete, and accurate records of all expenses associated with the Company and its formation. The members shall be reimbursed for all properly accounted business expenses at such time as Company receives sufficient
investment capital or produces sufficient revenue to do so.

ARTICLE VI
Members and Voting Rights

6.1 Admission of New Members. No other person shall be made a Member without the Approval of the Members of those Members at the time such membership decision is to be made. The Secretary shall revise Schedule A to reflect any action taken by the Members pursuant to this Section 6.1. The Company has only one class of Membership Interest. With the Approval of the Members, the Company may issue a different class of Membership Interest to a new member or member(s) with rights, privileges and preferences as determined by the Company.

6.2 Meetings. Meetings of all Members may be called by the Chief Manager, Secretary or Members holding 50% of the Percentage Interest by mailing notice to all Members no fewer than ten (10) days nor more than two (2) months before the meeting date, stating the purpose(s) of the meeting. Any such meetings shall be held at the principal place of business of the Company, or such other place in Pennsylvania, or alternative location upon agreement of all members holding 10% or more of the voting power, as may be designated in the notice. Members may participate and vote in meetings telephonically and/or by videoconference.

6.3 Quorum Requirements for Meetings. The Members holding a majority of the Percentage Interests of the Membership Interests entitled to vote at any meeting shall constitute a quorum for the transaction of business. Once a Membership Interest is represented at any meeting, it is deemed to be present for the remainder of that meeting and for any adjournment. A meeting may be adjourned, and notice of an adjourned meeting is not necessary if the date, time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken.

6.4 Membership Voting Power. At any meeting of the Members, each Member entitled to vote shall have a number of votes equal to the Member's Percentage Interest as set forth on Schedule A hereto, as the same may be amended from time to time.

6.5 Action by Members. At any meeting of the Members at which a quorum is present, a majority of the Percentage Interests is required to take action on a matter unless a vote of greater proportion is otherwise required by this Agreement, the Company's Articles or Organization or the Act.

6.6 Action Without a Meeting. Action required or permitted to be taken at a meeting of the Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by all of the Members entitled to vote and delivered to the Managers of the Company for filing with the
Company records.

ARTICLE VII
Management

7.1 Management of the Company. Except for the duties assigned to the Managers, Chief Manager and Secretary set forth in Sections 7.3, 7.4 and 7.5, and except as provided in Section 7.7, the management and control of the Company and of its business and affairs shall rest with the Members who shall collectively exercise such rights in accordance with Article VI. The Members shall have all the rights and powers which may be possessed by members under the Act (as modified by this Agreement or the Articles of Organization) and all additional rights and powers as are otherwise conferred by law or which are necessary, proper, advisable or convenient to the discharge of their duties and obligations under this Agreement. Each of the Members shall vote his Membership Interest in his individual capacity and without regard to any fiduciary responsibility that he might owe to any other Member under this or any other instrument.

7.2 Individual Member Authority. No Member in their capacity as solely a Member has the power under the Act to bind the Company. Any Member, other than the Managers acting within the scope of their authority granted in this Agreement, shall indemnify the Company for any costs or damages incurred by the Company as a result of any action by any Member to act for, or to undertake or consume, any obligation, debt, duty or responsibility on behalf of, any other Member or the Company.

7.3 Duties of the Chief Manager. The Chief Manager shall have the following duties:

(a) See that all orders and resolutions of the Members are carried into effect;

(b) Sign and deliver, in the name of the Company, any deeds, mortgages, bonds, contracts or other instruments pertaining to the business of the Company, except in cases in which the authority to sign and deliver is required by law to be exercised by another person or is expressly delegated by the Articles, this Agreement or the Members to some other Manager or agent of the Company;

(c) Manage and control the day-to-day operations of the Company, provided that the Approval of the Members must be obtained for any expenditure exceeding $10,000 or any contract or commitment extending beyond five (5) years; and

(d) Perform other duties prescribed by this Agreement or prescribed to the Chief Manager under the Act.
7.4 **Duties of the Secretary.** The Secretary shall have the following duties:

(a) Keep accurate membership records for the Company;

(b) Maintain records of and, whenever necessary, certify all proceedings of the Members or committees of the Company;

(c) Receive notices required to be sent to the Secretary and keep a record of such notices in the records of the Company; and

(d) Perform other duties prescribed herein or by the Members or the Chief Manager.

7.5 **Additional Managers.** Additional Managers may be appointed by the Members and listed on **Schedule A** of this Agreement. Such Managers shall carry duties as delegated by the Chief Manager or prescribed by the Members upon their appointment.

7.6 **Compensation of Managers.** Compensation of Managers may be hereinafter Approved by the Members, for the services of Managers, Chief Manager, or any employee of such Managers.

7.7 **Borrowing.** The Company shall not incur any indebtedness secured by assets of the Company or any unsecured indebtedness in excess of twenty-five thousand dollars ($25,000) without the prior Approval of the Members. The Chief Manager, or other Manager expressly authorized by the Members, shall execute and deliver, on behalf of the Company, any and all promissory notes, security agreements, deeds of trust and other documents and instruments required by the lender in connection therewith.

7.8 **Election, Withdrawal and Removal of Managers.** The Company shall at all times have at least two Managers, those being the Chief Manager and the Secretary. A Manager need not be a Member. The Members may, from time to time, appoint new, additional or substitute Managers and may, from time to time and without cause, remove any one or more of the Managers. The Members may, at any time, eliminate any Manager position other than that of the Chief Manager and the Secretary. Any Manager may, at any time and upon thirty (30) days prior written notice to the Members, resign as a Manager, but such resignation shall not affect his status, if any, as a Member. Upon the death, resignation or removal of the Chief Manager, the Members shall immediately vote to appoint another Chief Manager. Upon the death, resignation or removal of the Secretary, the Members shall vote within thirty (30) days of such termination to appoint another Secretary. Managers may be removed upon the vote or consent of Members holding eighty percent (80%) or more of the Percentage Interests.
7.9 **Dealing With Affiliates.** The Company may acquire property or services from, and have other transactions with, the Members or an entity controlled jointly by the Members ("Affiliate"), subject to the following limitations:

(a) If the funds of the Company are commingled with that of a Member or an Affiliate, then adequate records must be kept of each entity's interest in such commingled funds.

(b) With respect to any loans between the Company, a Member or an Affiliate, the lender will not receive any interest or other financing charges or fees in excess of the amounts which would be charged to the Company by the Company's primary bank.

(c) All transactions between the Company and the Members or an Affiliate shall be evidenced in writing and shall provide for compensation at a rate commensurate with that which could be obtained in the case of a similar transaction with independent persons; each such agreement shall be cancelable by the Company upon no more than ninety (90) days notice.

7.10 **Other Activities.** Any Manager or Member may engage in other activities, including those of a nature which are the same as or similar to the business of the Company, without any duty or obligation to account to the Company in connection therewith, except that no Manager will engage in any activities that are in direct competition with Company.

**ARTICLE VIII**

**Indemnification**

8.1 **Authority to Indemnify.** The Company may indemnify an individual made a party to a proceeding, because such individual is or was a responsible person, against liability incurred in the proceeding if the responsible person satisfies the following standard of conduct: (a) the responsible person's conduct was in good faith and the responsible person reasonably believed (i) in the case of conduct in the responsible person's official capacity with the Company, that his conduct was in the best interest of the Company and (ii) in all other cases, that his conduct was at least not opposed to the Company's best interest; (b) in the case of any criminal proceeding, the responsible person had no reasonable cause to believe his conduct was unlawful; or (c) the responsible person's conduct with respect to an employee benefit plan for a purpose he reasonably believed to be in the interests of the participants in and beneficiaries of the plan is conduct that satisfies this Section 8.1(a). The termination of a proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere* or its equivalent is not, of itself, determinative that the responsible person did not satisfy the foregoing standard of conduct.
8.2 Limitations on Authority to Indemnify. Except as to court-ordered indemnification as provided in Section 8.5, the Company may not indemnify a responsible person (i) in connection with a proceeding by or in the right of the Company in which the responsible person was adjudged liable to the Company, and (ii) in connection with any other proceeding charging improper personal benefit to such responsible person, whether or not involving action in the responsible person's official capacity, in which the responsible person was adjudged liable on the basis that personal benefit was improperly received by such responsible person.

8.3 Mandatory Indemnification. The Company shall indemnify a responsible person who is or was wholly successful, on the merits or otherwise, in the defense of any proceeding to which such responsible person was a party because he is or was a Responsible person of the Company against reasonable expenses incurred in connection with the proceeding.

8.4 Advances for Expenses. The Company shall pay for or reimburse the reasonable expenses a responsible person who is a party to a proceeding in advance of final disposition of the proceeding if: (a) the responsible person furnishes to the Company a written affirmation of his good faith belief that he has satisfied the standard of conduct set forth in Section 8.1; (b) the responsible person furnishes to the Company a written undertaking (which shall be an unlimited general obligation of the responsible person but need not be secured and may be accepted by the Company without reference to financial ability to repay), executed personally on his behalf, to repay the advance if it is ultimately determined that he is not entitled to indemnification; and (c) a determination is made that the facts then known to those making the determination would not preclude indemnification under Section 8.6.

8.5 Court Ordered Indemnification. A responsible person of the Company who is a party to a proceeding may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction. On receipt of an application for indemnification, the court, after giving any notice the court considers necessary, may order indemnification if it determines: (a) the responsible person is entitled to mandatory indemnification as set forth in Section 8.3, in which case the court shall also order the Company to pay the responsible person's reasonable expenses incurred to obtain court ordered indemnification; or (b) the responsible person is fairly and reasonably entitled to indemnification in view of all relevant circumstances, whether or not the responsible person has satisfied the standard of conduct set forth in Section 8.1 or was adjudged liable as set forth in section 8.2, but if adjudged so liable indemnification is limited to reasonable expense incurred by the responsible person.

8.6 Determination and Authorization of Indemnification. Except as to court-ordered indemnification as provided in Section 8.5, the Company may not indemnify a responsible person under Section 8.1 unless authorized in the specific case after a
determination has been made that indemnification of the responsible person is permissible in the circumstances because the responsible person has satisfied the standard of conduct set forth in Section 8.1. The determination shall be made: (a) by the Members holding a majority of the Percentage Interests of the Company who are not at the time parties to the proceeding; (b) if a quorum cannot be obtained under Section 8.6(a), by the Members holding a majority of the Percentage Interests of the Members appointed to a committee duly designated by the Members (in which designation Members at the time parties to the proceeding may participate), consisting solely of two (2) or more Members not at the time parties to the proceeding; or (c) by independent legal counsel (i) selected by the Members or by a committee in the manner set forth in Section 8.6(a) or (b), respectively, or (ii) if a quorum of the members cannot be obtained under Section 8.6(a) and a committee cannot be designated under Section 8.6(b), selected by the Members holding a majority of the Percentage Interests of the Company.

Authorization of indemnification and evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible as provided in this Section 8.6, except that if the determination is made by special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by those entitled under Section 8.6(c) to select special legal counsel.

8.7 Indemnification of Managers, Employees and Agents. A Manager of the Company who is not a responsible person is entitled to mandatory indemnification as provided in Section 8.3, and is entitled to apply for court-ordered indemnification as provided in Section 8.5. The Company shall indemnify and advance expenses to a Manager, employee, independent contractor or agent of the Company, who is not a responsible person to the same extent as a responsible person. The Company shall also indemnify and advance expenses to a Manager, employee, independent contractor or agent who is not a responsible person to the extent, consistent with public policy, by specific action of the Members or by contract.

8.8 Insurance. The Company may purchase and maintain insurance on behalf of an individual who is or was a responsible person, Manager, employee, independent contractor or agent of the Company or whether or not the Company would have the power to indemnify such individual against the same liability as provided in Section 8.1, 8.2, or 8.3 hereof.

8.9 Non-Exclusive Right. The indemnification and advancement of expenses granted pursuant to, or provided by this Article VIII shall not be deemed exclusive of any other rights to which a responsible person seeking indemnification or advancement of expenses may be entitled, whether contained in this Article VIII, the Articles of Organization of the Company, in the Act, in a resolution of the Members, or an agreement providing for such indemnification; provided, however, that no indemnification may be made to or on behalf of any responsible person if a
judgment or other final adjudication adverse to the responsible person establishes his liability: (a) for any breach of duty of loyalty to the Company or its members; (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or (c) for any liability for wrongful distributions incurred under the Act.

Nothing in this Section 8.9 shall affect any rights to indemnification to which the Company's personnel, other than responsible persons, may be entitled by contract or otherwise under law. This Section 8.9 does not limit the Company's power to pay or reimburse expenses incurred by a responsible person in connection with his appearance as a witness in a proceeding at a time when he has not been named defendant or respondent to the proceeding.

**ARTICLE IX**

**Fiscal Matters**

9.1 **Books and Records.** Full and accurate books and records of the Company (including without limitation all information and records required by the Act) shall be maintained at its principal executive office showing all receipts and expenditures, assets and liabilities, profits and losses, and all other records necessary for recording the Company's business and affairs. All Members shall have access times to the books and records of the Company, during regular business hours, at the Company's principal executive office, upon provision of notice in writing by any Member to the Company at least five (5) business days before the date on which any Member desires to inspect said books and records.

9.2 **Fiscal Year.** The fiscal year of the Company shall end on December 31st of each year.

9.3 **Tax Status; Elections.** Notwithstanding any provision hereof to the contrary, solely for purposes of the United States federal income tax laws, each of the Members hereby recognizes that the Company will be subject to all provisions of Subchapter K of Chapter 1 of Subtitle A of the Code; provided, however, the filing of U.S. Partnership Returns of Income shall not be construed to extend the purposes of the Company or expand the obligations of the Members.

9.4 **Reports to Members.** Each of the following reports shall be prepared at the Company's expense, and shall be delivered to each Member:

(a) Within seventy-five (75) days after the end of each fiscal year, all information necessary for the preparation of the Members' federal, state and local income tax returns;

(b) Within one-hundred-twenty (120) days after the end of each fiscal year, an annual report of the activities of the Company, including a balance sheet,
income statement and a statement of cash flow, and such annual report shall contain a complete statement of all compensation and fees paid or accrued by the Company to the Managers; and

(c) Any Member may obtain, at such Member's expense, such other reports on the Company's operations and conditions as such Member may reasonably request, which reports shall be mailed by the Company within one (1) month after notice of such Member's request.

9.5 Accounting Decisions. All decisions as to accounting and taxation matters shall be made by the Members. Such decisions must be satisfactory to the Company's accountants.

9.6 Bank Accounts. All funds of the Company shall be deposited in its name at its principal financial institution, or other financial institution approved by the Members, unless otherwise held in a properly maintained escrow account, by agents of Company.

9.7 Tax Matters Member. The Tax Matters Member ("TMM") is responsible for all administrative and judicial proceedings for the assessment and collection of tax deficiencies or the refund of tax overpayments arising out of a Member's distributive share of items of income, deduction, credit and/or of any other Company item (as that term is defined in the Code or in regulations issued by the Internal Revenue Service) allocated to the Members affecting any Member's tax liability.

The TMM shall promptly give notice to all Members of any administrative or judicial proceeding pending before the Internal Revenue Service involving any Company item and the progress of any such proceeding. Such notice shall be in compliance with such regulations as are issued by the Internal Revenue Service.

The TMM shall have all the powers provided to a tax matters partner in Sections 6221 through 6233 of Code, including the specific power to extend the statute of limitations with respect to any matter which is attributable to any Company item or affecting any item pending before the Internal Revenue Service and to select the forum to litigate any tax issue or liability arising from Company items.

The TMM shall be the Member designated as such on Schedule A. The TMM may resign his position by giving thirty (30) days written notice to all Members, whereupon the Members shall designate a new TMM.

The TMM shall be entitled to reimbursement for any and all reasonable expenses incurred with respect to any administrative and/or judicial proceedings affecting the Company.
ARTICLE X
Termination of Membership Interest

10.1 *Termination of Interest.* A Member's continued Membership in the Company shall terminate subject to Article XI, upon any of the following:

(a) Death of the Member;
(b) Retirement of the Member;
(c) Withdrawal of the Member;
(d) Acquisition of the Member's complete Membership Interest by the Company;
(e) Assignment of the Member's Governance Rights which leaves the Member with no Governance Rights;
(f) Bankruptcy of the Member;
(g) Dissolution of the Member;
(h) A merger in which the Member is not the surviving organization; or
(i) The occurrence of any other event that terminates the continued membership of the Member in the Company.

10.2 A Member's termination of membership in the Company shall be subject to the provisions of Article XI.

ARTICLE XI
Transfer Restrictions

11.1 No transfer or assignment of any part of a membership interest shall be made except upon the following conditions:

(a) a majority of the Percentage Interests affirmatively consent to the proposed transfer or assignment after full disclosure by such Member of the proposed transaction;

(b) a Member may transfer his/her Membership Interests in the Company under his Will or by Intestate Succession upon his death;
(c) a Member may transfer his Membership Interests in the Company to his current spouse, a parent, a child, a grandchild, niece, nephew or an Inter Vivos Trust, all of the beneficiaries of which are members of the Member’s family;

(d) a transfer of the Financial Rights in the Company may be made to the guardian or conservator over the property of a Member in the event of his physical or mental incapacity;

(e) a Member may transfer his Financial Rights in the Company to a corporation, partnership or limited liability company, provided the Member, or the Member and members of his/her family, owns a majority of the capital stock or other ownership interest in any such transferee entity;

(f) any Member may, without the consent of any other Member, pledge or grant a security interest in all or part of his Financial Rights to secure the repayment of a loan; or

(g) the procedure set forth in Section 11.2 below.

11.2 A Member proposing to voluntarily transfer or assign all or part of his Financial Rights to a third party other than under Sections 11.1(a)-(f) above must comply with the following procedures:

In the event any Member desires to make a bona fide transfer of all or any part of his Financial Rights to a person other than as expressly permitted above, then the transfer or assignment may occur only if the Member desiring to make such transfer or assignment first gives the Company and the other Members the option to purchase such Financial Rights. The transferring person shall deliver written notice to the Company and the other Members, which notice shall state the name of the prospective bona fide purchaser and the price and terms offered by such prospective purchaser. The Company shall have the first option to purchase such Financial Rights at the price and on the same terms set forth in the written notice. The Company shall have 30 days following the receipt of such notice to exercise such option by giving notice of such election to the transferring person and the other Members. If the Company declines to exercise such option, the other Members shall then have the option to purchase such Financial Rights at the price and on the same terms set forth in the written notice. The other Members shall have 30 days following the expiration of the 30-day option available to the Company and may exercise such options by giving notice of such election to the transferring person, the Company and the other Members. If any of the Members do not exercise their option to purchase the offered Financial Rights, the same shall expire and be of no force and effect, and the transferring person may then consummate a sale of the Financial Rights to such third party. In no event, however, shall the Financial Rights of the transferring person be transferred or assigned to another party for less than the price stated in the above-described written notice or on terms and
conditions materially different from those stated in the written notice. If the proposed third-party sale is not consummated within 60 days after the expiration of the above-described option periods, the transferring person shall not transfer or assign any part of his Financial Rights without again offering to the Company and the remaining Members the option to purchase as provided above.

11.3 The foregoing provisions shall be binding upon any transferee of any interest of the Company.

11.4 In the event any Member transfers or assigns any part of his membership interest, pursuant to this Article, to any person or entity other than one or more of the other Members or the Company, no such transfer shall become effective until the proposed transferee agrees in writing to assume and be bound by all the obligations and restrictions to which the transferor Member is subject under the terms of this Agreement and any further Agreement with respect to the business of the Company.

11.5 **Restriction on Assignment.** No Member shall assign his Membership Interest, Financial Rights, or Governance Rights except as expressly permitted in this Article XI.

**ARTICLE XII**

**Term, Termination and Winding Up**

12.1 **Term.** The term of the Company shall commence on the date of this Agreement and shall continue until December 31, 2045, unless earlier terminated in accordance with the provisions hereof or as provided by law. The term may be extended upon mutual agreement of the Members.

12.2 **Events Causing Dissolution and Winding Up.** The Company shall be dissolved and its affairs wound up (a) upon the expiration of the term of the Company stated in Section 12.1; (b) upon the sale of all or substantially all of the assets of the Company and the distribution of the net proceeds therefrom; (c) in the event of the death, resignation, withdrawal, retirement, or any other event that terminates the continued membership of any Member (unless the Members continue the Company as provided in Section 10.3); or (d) as may be otherwise provided by law. The Company shall be terminated when the winding up of Company affairs has been completed following dissolution. The transfer or assignment of all or any part of a Membership Interest if in accordance with the provisions of Article XI shall not constitute a dissolution of the Company.

12.3 **Winding Up Affairs on Dissolution.** Upon dissolution of the Company, the Members or the other persons required or permitted by law to carry out the winding up of the affairs of the Company shall promptly notify all Members of such dissolution; shall wind up the affairs of the Company; shall prepare the file all
instruments or documents required by law to be filed to reflect the dissolution of the Company; and after paying or providing for the payment of all liabilities and obligations of the Company, shall distribute the assets of the Company as provided by the terms of this Agreement.

12.4 **Distribution Upon Dissolution.** Upon dissolution of the Company and the sale of its assets, the proceeds of such sale or the assets of the Company shall be allocated as set forth below:

(a) To pay all outstanding liabilities and expenses of the Company;

(b) To establish such reserves for unknown or contingent liabilities, including without limitation reserves for environmental matters, as the Managers may determine;

(c) To each Member and holder of Financial Rights, an amount equal to his capital account balance as of the date of dissolution (after giving effect to the allocation of all Net Profits or Net Losses realized upon dissolution) or a pro rata portion thereof if the total assets to be distributed is less than the total capital account balance of the Company; and

(d) Any remaining balance shall be distributed to the Members and holders of Financial Rights in proportion to their share of the total Financial Rights in the Company.

12.5 **Waiver of Right to Partition and Decree of Dissolution.** As a material inducement to each Member to execute this Agreement, each Member covenants and represents to each other Member that, during the existence of the Company, no Member, nor his heirs, representatives, successors, transferees or assigns, will attempt to make any partition of any Company assets whether now owned or hereafter acquired, and each Member waives all rights of partition provided by statute or principles of law or equity, including partition in kind or partition by sale. The Members agree that irreparable damage would be done to the goodwill and reputation of the Company if any Member should bring an action in a court to dissolve the Company. The Members agree that there are fair and just provisions for payment and liquidation of the interest of any Member, and fair and just provisions to prevent a Member from selling or otherwise alienating his interest in the Company. Accordingly, each Member hereby waives and renounces his right to such a court decree of dissolution or to seek the appointment by court of a liquidator or receiver for the Company.

**ARTICLE XIII**

**General Provisions**

13.1 **Notices.** All notices, consents, waivers, directions, requests, votes or other
instruments or communications provided for under this Agreement shall be in writing, signed by the party giving the same, and shall be deemed properly given three (3) business days after mailing if sent by registered or certified United States mail, postage prepaid, addressed:

(a) In the case of the Company, to the address set forth in Section 1.3;

(b) In the case of any Member, to the address set forth on Schedule A; or to such address as any party may specify in writing to the other parties.

13.2 Integration. This Agreement embodies the entire agreement and understanding among the Members and supersedes all prior agreements and understandings, if any, among and between the Members relating to the subject matter hereof.

13.3 Applicable Law. This Agreement and the rights of the Members shall be governed by and construed and enforced in accordance with the laws of the State of Tennessee.

13.4 Severability. In case any one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

13.5 Binding Effect. Except as herein otherwise provided to the contrary, this Agreement shall be binding upon, and inure to the benefit of, the Members and their respective heirs, executors, administrators, successors, transferees and assigns.

13.6 Terminology. All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders; and the singular shall include the plural, and vice versa. Titles and Articles are for convenience only and neither limit nor amplify the provisions of this Agreement itself.

13.7 Amendment. This Agreement may be amended, modified or supplemented only by a writing executed by each of the Members. Unless a greater vote is required by this Agreement, the Company's Articles of Organization or the Act, a majority of the Percentage Interests of all Members entitled to vote thereon shall be required to approve such an amendment. The Secretary shall revise Schedule A to reflect any action taken by the Members pursuant to this Section 13.7 or as needed to reflect other actions taken by the Members in accordance with this Agreement which have changed the information on Schedule A.

13.8 Confidentiality. In the case that any confidential information should be exchanged between the Members resulting from this Agreement, the Members agree to make
any necessary efforts to keep all information confidential.

All intellectual property developed under the Company shall remain the property of the Company unless another agreement is reached by the Members regarding the material.

Each Members’ website and LLC that is to become a part of the Company shall remain the sole property of the Company until the Company is terminated, or unless the Members agree otherwise.

IN WITNESS WHEREOF, this Agreement is executed effective as of the date first set forth above.

NICKÓLAS P. PALACIOS

MARY A. PARKER

SAMUEL SANZERI

Lucius Burch
SCHEDULE A
TO
OPERATING AGREEMENT

Members

*The Percentage Interest of these Members shall be subject to further dilution upon additional investment in TQLA Management Corp. which shall result in the issuance of additional Percentage Interests in such investor(s), up to the total amount of 15% Percentage Interests to be issued to the investors in TQLA Management Corp.

<table>
<thead>
<tr>
<th>Name, Address, SS#</th>
<th>Percentage Interest</th>
<th>Cash Contributed or Agreed Value of Other Property or Services Contributed</th>
</tr>
</thead>
<tbody>
<tr>
<td>MARY A. PARKER</td>
<td>DOH REDACTED</td>
<td></td>
</tr>
<tr>
<td>NICKOLAS P. PALACIOS</td>
<td>DOH REDACTED</td>
<td></td>
</tr>
<tr>
<td>SAMUEL SANZERI</td>
<td>DOH REDACTED</td>
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</tr>
<tr>
<td>LUCIUS BURCH</td>
<td>DOH REDACTED</td>
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</tr>
</tbody>
</table>
SCHEDULE A
TO
OPERATING AGREEMENT

Managers and Agents

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHIEF MANAGER/CEO</td>
<td>MARY A. PARKER</td>
</tr>
<tr>
<td>SECRETARY</td>
<td>NICKOLAS P. PALACIOS</td>
</tr>
<tr>
<td>REGISTERED AGENT</td>
<td>NICKOLAS P. PALACIOS</td>
</tr>
<tr>
<td>TAX MATTERS MEMBER (&quot;TMM&quot;)</td>
<td>MARY A. PARKER</td>
</tr>
</tbody>
</table>
### Instructions:
- Attach one of the following:
  - Evidence of the applicant’s clear legal title to or option to purchase the proposed site and facility
  - A fully-executed copy of the applicant’s unexpired lease for the proposed site and facility and a written statement from the property owner that the applicant may operate a medical marijuana organization on the proposed site for, at a minimum, the term of the initial permit
  - Other evidence that shows that the applicant has a location to operate its medical marijuana organization
- Complete this cover sheet. Scan this sheet and the appropriate document(s) and save it as a PDF file called "Attachment C," using the appropriate file name format

<table>
<thead>
<tr>
<th>Business Name, as it appears on the applicant’s certificate of incorporation, charter, bylaws, partnership agreement or other official documents:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medganics, LLC</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Trade names and DBA (doing business as) names:</th>
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<tbody>
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<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Principal Business Address: 6877 US 322</th>
</tr>
</thead>
<tbody>
<tr>
<td>City: Franklin</td>
</tr>
</tbody>
</table>

**DOH REDACTED**
AGREEMENT FOR THE SALE OF COMMERCIAL REAL ESTATE

PARTIES

BUYER(S):
TQLA Management Corporation

SELLER(S):
Frank R. Kushner
Barbara A. Kushner

PROPERTY

PROPERTY ADDRESS: 218 Parkhill Dr., Johnstown, PA

in the municipality of East Taylor Twp. - 15925
in the Commonwealth of Pennsylvania.
Identification (e.g., Parcel #, Lot, Block, Deed Book, Page, Recording Date): DHVPG 1685 & 1900/1305
A single commercial building that was used as a restaurant/bar with a garage and a 120' x 120' lot
Tax ID #s: 23 19-209-310, & 428

BUYER'S RELATIONSHIP WITH PA LICENSED BROKER

☐ No Business Relationship (Buyer is not represented by a broker)

Broker (Company): American Dream Real Estate Appraisal & Management, Inc.
Company Address: 2710 Scalp Ave.
Johnstown, PA 15904
Company Phone: 814-262-7253
Company Fax: 814-269-8945
Broker is (check only one):
☐ Seller Agent (Broker represents Seller only)
☐ Dual Agent (See Dual and/or Designated Agent box below)

Licensee(s) (Name): Mary Sekely
Licensee(s) is (check only one):
☐ Seller Agent (all company licensees represent Seller)
☐ Seller Agent with Designated Agency (only Licensee(s) named above represent Seller)
☐ Dual Agent (See Dual and/or Designated Agent box below)

☐ Transaction Licensee (Broker and Licensee(s) provide real estate services but do not represent Buyer)

SELLER'S RELATIONSHIP WITH PA LICENSED BROKER

☐ No Business Relationship (Seller is not represented by a broker)

Broker (Company): American Dream Real Estate Appraisal & Management, Inc.
Company Address: 2710 Scalp Ave.
Johnstown, PA 15904
Company Phone: 814-262-7253
Company Fax: 814-269-8945
Broker is (check only one):
☐ Buyer Agent (Broker represents Buyer only)
☐ Dual Agent (See Dual and/or Designated Agent box below)

Licensee(s) (Name): Mary Sekely
Licensee(s) is (check only one):
☐ Buyer Agent (all company licensees represent Buyer)
☐ Buyer Agent with Designated Agency (only Licensee(s) named above represent Buyer)
☐ Dual Agent (See Dual and/or Designated Agent box below)

☐ Transaction Licensee (Broker and Licensee(s) provide real estate services but do not represent Seller)

DUAL AND/OR DESIGNATED AGENCY

A Broker is a Dual Agent when a Broker represents both Buyer and Seller in the same transaction. A Licensee is a Dual Agent when a Licensee represents Buyer and Seller in the same transaction. All of Broker's licensees are also Dual Agents UNLESS there are separate Designated Agents for Buyer and Seller. If the same Licensee is designated for Buyer and Seller, the Licensee is a Dual Agent.

By signing this Agreement, Buyer and Seller each acknowledge having been previously informed of, and consenting to, dual agency, if applicable.

Buyer Initials: ____________________________ Seller Initials: ____________________________

Pennsylvania Association of Realtors' Page 1 of 9

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Instant: 3/15
1. By this Agreement, dated 03/17/2017, Seller hereby agrees to sell and convey to Buyer, who agrees to purchase, the identified Property.

2. PURCHASE PRICE AND DEPOSITS (3-15)
(A) Purchase Price $184,900.00

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Initial Deposit, within ___ days of Execution Date, if not included with this Agreement</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>2. Additional Deposit within ___ days of the Execution Date</td>
<td>$</td>
</tr>
<tr>
<td>3.</td>
<td>$</td>
</tr>
</tbody>
</table>

Remaining balance will be paid at settlement.

(B) All funds paid by Buyer, including deposits, will be paid by check, cashier's check or wired funds. All funds paid by Buyer within 30 DAYS of settlement, including funds paid at settlement, will be by cashier's check or wired funds, but not by personal check.

(C) Deposits, regardless of the form of payment and the person designated as payee, will be paid in U.S. Dollars to Broker for Seller (unless otherwise stated here), who will deposit in an escrow account in conformity with all applicable laws and regulations until consummation or termination of this Agreement. Only real estate brokers are required to hold deposits in accordance with the rules and regulations of the State Real Estate Commission. Checks tendered as deposit monies may be held uncashed pending the execution of this Agreement.

3. SETTLEMENT AND POSSESSION (6-13)
(A) Settlement Date is 06/30/2017, or before if Buyer and Seller agree.

(B) Settlement will occur in the county where the Property is located or in an adjacent county, during normal business hours, unless Buyer and Seller agree otherwise.

(C) At time of settlement, the following will be pro-rated on a daily basis between Buyer and Seller, reimbursing where applicable: current taxes; rent; interest on mortgage assumptions; condominium fees and homeowner association fees; water and/or sewer fees, together with any other lienable municipal service fees. All charges will be pro-rated for the periods covered. Seller will pay up to and including the date of settlement and Buyer will pay for all days following settlement, unless otherwise stated here:

(D) For purposes of prorating real estate taxes, the "periods covered" are as follows:
1. Municipal tax bills for all counties and municipalities in Pennsylvania are for the period from January 1 to December 31.
2. School tax bills for the Philadelphia, Pittsburgh and Scranton School Districts are for the period from January 1 to December 31.
3. School tax bills for all other school districts are for the period from July 1 to June 30.

(E) Conveyance from Seller will be by fee simple deed of special warranty unless otherwise stated here:

(F) Payment of transfer taxes will be divided equally between Buyer and Seller unless otherwise stated here:

(G) Possession is to be delivered by deed, existing keys and physical possession to a vacant Property free of debris, with all structures broom-clean, at day and time of settlement, unless Seller, before signing this Agreement, has identified in writing that the Property is subject to a lease.

(H) If Seller has identified in writing that the Property is subject to a lease, possession is to be delivered by deed, existing keys and assignment of existing leases for the Property, together with security deposits and interest, if any, at day and time of settlement. Seller will not enter into any new leases, nor extend existing leases, for the Property without the written consent of Buyer. Buyer will acknowledge existing leases by initialing the leases at the execution of this Agreement, unless otherwise stated in this Agreement.

4. DATES/TIME IS OF THE ESSENCE (3-15)
(A) Written acceptance of all parties will be on or before 03/17/17.

(B) The Settlement Date and all other dates and times identified for the performance of any obligations of this Agreement are of the essence and are binding.

(C) The Execution Date of this Agreement is the date when Buyer and Seller have indicated full acceptance of this Agreement by signing and or initialing it. For purposes of this Agreement, the number of days will be counted from the Execution Date, excluding the day this Agreement was executed and including the last day of the time period. All changes to this Agreement should be initialed and dated.

(D) The Settlement Date is not extended by any other provision of this Agreement and may only be extended by mutual written agreement of the parties.

(E) Certain terms and time periods are pre-printed in this Agreement as a convenience to the Buyer and Seller. All pre-printed terms and time periods are negotiable and may be changed by striking out the pre-printed text and inserting different terms acceptable to all parties, except where restricted by law.

5. FIXTURES AND PERSONAL PROPERTY (4-14)
(A) INCLUDED in this sale are all existing items permanently installed in the Property, free of liens, including plumbing; heating; HVAC equipment; lighting fixtures (including chandeliers and ceiling fans); and water treatment systems, unless otherwise stated below; any remaining heating, cooking and other fuels stored on the Property at the time of settlement. Also included:

Buyer Initials: ____________________________  ASC Page 2 of 9  Seller Initials: ____________________________
6. ZONING (4-14)
Failure of this Agreement to contain the zoning classification (except in cases where the property is zoned solely or primarily to permit single-family dwellings) will render this Agreement voidable at Buyer's option, and, if voided, any deposit tendered by the Buyer will be returned to the Buyer without any requirement for court action.

Zoning Classification, as set forth in the local zoning ordinance: Commercial

7. FINANCING CONTINGENCY (4-14)
☐ WAIVED. This sale is NOT contingent on financing, although Buyer may obtain financing and/or the parties may include an appraisal contingency.
☐ ELECTED. This sale is contingent upon Buyer obtaining financing according to the following terms:

<table>
<thead>
<tr>
<th>First Loan on the Property</th>
<th>Second Loan on the Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Amount $</td>
<td>Loan Amount $</td>
</tr>
<tr>
<td>Minimum Term</td>
<td>Minimum Term</td>
</tr>
<tr>
<td>Type of Loan</td>
<td>Type of Loan</td>
</tr>
<tr>
<td>Interest rate</td>
<td>Interest rate</td>
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<td>%, however, Buyer agrees</td>
<td>%, however, Buyer agrees</td>
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<td>to accept the interest</td>
<td>to accept the interest</td>
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<td>rate as may be committed</td>
<td>as may be committed</td>
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<td>by the lender, not to</td>
<td>by the lender, not to</td>
</tr>
<tr>
<td>exceed a maximum interest</td>
<td>exceed a maximum interest</td>
</tr>
<tr>
<td>rate of</td>
<td>rate of</td>
</tr>
</tbody>
</table>

(B) Financing Commitment Date
(c) Within ______ days (10 if not specified) from the Execution Date of this Agreement, Buyer will make a completed, written application for the financing terms stated above to a responsible lender(s) of Buyer's choice. Broker for Buyer, if any, otherwise Broker for Seller, is authorized to communicate with the lender(s) to assist in the financing process.

(D) Should Buyer furnish false or incomplete information to Seller, Broker(s), or the lender(s) concerning Buyer's legal or financial status, or fail to cooperate in good faith in processing the financing application, which results in the lender(s) refusing to approve a financing commitment, Buyer will be in default of this Agreement.

(E) Upon receipt of a financing commitment, Buyer will promptly deliver a copy of the commitment to Seller. Unless otherwise agreed to in writing by Buyer and Seller, if a written commitment is not received by Buyer by the above date, this Agreement may be terminated by Buyer or Seller, with all deposit monies returned to Buyer according to the terms of Paragraph 24. Buyer will be responsible for any premiums for mechanics' lien insurance and/or title search, or fee for cancellation of same, if any, AND/OR any premiums for flood insurance and/or fire insurance with extended coverage, insurance binder charges or cancellation fee, if any; AND/OR any appraisal fees and charges paid in advance to lender.

8. CHANGE IN BUYER'S FINANCIAL STATUS (4-14)
In the event of a change in Buyer's financial status affecting Buyer's ability to purchase, Buyer shall, within ______ days (5 if not specified) of said change notify Seller and lender(s) to whom the Buyer submitted loan application, if any, in writing. A change in financial status includes, but is not limited to, loss or a change in income; Buyer's having incurred a new financial obligation; entry of a judgment against Buyer. Buyer understands that applying for and/or incurring a new financial obligation may affect Buyer's ability to purchase.

9. SELLER REPRESENTATIONS (6-13)

(A) Status of Water
Seller represents that the Property is served by:
☐ Public Water  ☐ Community Water  ☐ On-site Water  ☐ None

(B) Status of Sewer
1. Seller represents that the Property is served by:
☐ Public Sewer  ☐ Community Sewage Disposal System  ☐ Ten-Acre Permit Exemption (see Sewage Notice 2)
☐ Individual On-lot Sewage Disposal System (see Sewage Notice 1)  ☐ Holding Tank (see Sewage Notice 3)
☐ Individual On-lot Sewage Disposal System in Proximity to Well (see Sewage Notice 1; see Sewage Notice 4, if applicable)
☐ None (see Sewage Notice 1)  ☐ None Available; Permit Limitations in Effect (see Sewage Notice 5)

2. Notices Pursuant to the Pennsylvania Sewage Facilities Act
Notice 1: There is no currently existing community sewage system available for the subject property. Section 7 of the Pennsylvania Sewage Facilities Act provides that no person shall install, construct, request bids for proposals for construction, alter, repair or occupy any building or structure for which an individual sewage system is to be installed, without first obtaining a permit. Buyer is advised by this notice that, before signing this Agreement, Buyer should contact the local agency charged with administering the Act to determine the procedure and requirements for obtaining a permit for an individual sewage system. The local agency charged with administering the Act will be the municipality where the Property is located or that municipality working cooperatively with others.
Notice 2: This Property is serviced by an individual sewage system installed under the ten-acre permit exemption provisions of Section 7 of the Pennsylvania Sewage Facilities Act. (Section 7 provides that a permit may not be required before installing, constructing, awarding a contract for construction, altering, repairing or connecting to an individual sewage system where a ten-acre parcel or lot is subdivided from a parent tract after January 10, 1987.) Buyer is advised that soils and site testing were not conducted and that, should the system malfunction, the owner of the Property or properties serviced by the system at the time of a malfunction may be held liable for any contamination, pollution, public health hazard or nuisance which occurs as a result.

Notice 3: This Property is serviced by a holding tank (permanent or temporary) to which sewage is conveyed by a water carrying system and which is designed and constructed to facilitate ultimate disposal of the sewage at another site. Pursuant to the Pennsylvania Sewage Facilities Act, Seller must provide a history of the annual cost of maintaining the tank from the date of its installation or December 14, 1995, whichever is later.

Notice 4: An individual sewage system has been installed at an isolation distance from a well that is less than the distance specified by regulation. The regulations at 25 Pa. Code §73.13 pertaining to minimum horizontal isolation distances provide guidance. Subsection (b) of §73.13 states that the minimum horizontal isolation distance between an individual water supply or water supply system suction line and treatment tanks shall be 50 feet. Subsection (c) of §73.13 states that the horizontal isolation distance between the individual water supply or water supply system suction line and the perimeter of the absorption area shall be 100 feet.

Notice 5: This lot is within an area in which permit limitations are in effect and is subject to those limitations. Sewage facilities are not available for this lot and construction of a structure to be served by sewage facilities may not begin until the municipality completes a major planning requirement pursuant to the Pennsylvania Sewage Facilities Act and regulations promulgated thereunder.

(C) Seller represents and warrants that Seller has no knowledge except as noted in this Agreement that: (1) The premises have been contaminated by any substance in any manner which requires remediation; (2) The Property contains wetlands, flood plains, or any other environmentally sensitive areas, development of which is limited or precluded by law; (3) The Property contains asbestos, polychlorinated biphenyls, lead-based paint or any other substance, the removal or disposal of which is subject to any law or regulation; and (4) Any law has been violated in the handling or disposing of any material or waste or the discharge of any material into the soil, air, surface water, or ground water.

(D) Seller agrees to indemnify and to hold Brooker harmless from and against all claims, demands, or liabilities, including attorneys fees and court costs, which arise from or are related to the environmental condition or suitability of the Property prior to, during, or after Seller’s occupation of the Property including without limitation any condition listed in Paragraph 9(C).

(E) Seller is not aware of historic preservation restrictions regarding the Property unless otherwise stated here:

(F) Seller represents that, as of the date Seller signed this Agreement, no public improvement, condominium or homeowner association assessments have been made against the Property which remain unpaid, and that no notice by any government or public authority has been served upon Seller or anyone on Seller’s behalf, including notices relating to violations of zoning, housing, building, safety or fire ordinances that remain uncorrected, and that Seller knows of no condition that would constitute a violation of any such ordinances that remain uncorrected, unless otherwise specified here:

(G) Seller knows of no other potential notices (including violations) and or assessments except as follows:

10. WAIVER OF CONTINGENCIES (9-05)

If this Agreement is contingent on Buyer’s right to inspect and/or repair the Property, or to verify insurability, environmental conditions, boundaries, certifications, zoning classification or use, or any other information regarding the Property, Buyer’s failure to exercise any of Buyer’s options within the times set forth in this Agreement is a Waiver of such contingency and Buyer accepts the Property and agrees to the Release in Paragraph 26 of this Agreement.

11. BUYER’S DUE DILIGENCE (3-15)

(A) The Property will be transferred in its present condition. It is Buyer’s responsibility to determine that the condition and permitted use of the property is satisfactory within 45 days (30 if not specified) from the Execution Date to conduct due diligence (Due Diligence Period), including verifying the condition, permitted use, insurability, environmental conditions, boundaries, certifications, deed restrictions, zoning classifications and any other features of the Property are satisfactory. Buyer may request that the property be inspected, at Buyer’s expense, by qualified professionals to determine the physical, structural, mechanical and environmental condition of the land, improvements or their components, or for the suitability of the property for Buyer’s needs. If, as the result of Buyer’s due diligence, Buyer determines that the property is not suitable for Buyer’s needs, Buyer may, prior to the expiration of the Due Diligence Period, terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of Paragraph 24 of this Agreement. In the event that Buyer has not provided Seller with written notice of Buyer’s intent to terminate this Agreement prior to the end of the Due Diligence Period, this Agreement shall remain in full force and effect in accordance with the terms and conditions as more fully set forth in this Agreement.

(B) Buyer has inspected the Property (including fixtures and any personal property specifically listed herein) or has waived the right to do so, and agrees to purchase the Property IN ITS PRESENT CONDITION as a result of such inspections and not because of or in reliance on any representations made by Seller or any other party. Buyer acknowledges that Brooker, their licensees, employees, officers or partners have not made an independent examination or determination of the structural soundness of the Property, the age or condition of the components, environmental conditions, the permitted uses, nor of conditions existing in the locale where the Property is situated; nor have they made a mechanical inspection of any of the systems contained therein.

Buyer Initials: __________ ASC Page 4 of 9 Seller Initials: __________ InSaintet
12. NOTICES, ASSESSMENTS AND MUNICIPAL REQUIREMENTS (4-14)
(A) In Pennsylvania, taxing authorities (school districts and municipalities) and property owners may appeal the assessed value of a property at the time of sale, or at any time thereafter. A successful appeal by a taxing authority may result in a higher assessed value for the property and an increase in property taxes. Also, periodic county-wide property reassessments may change the assessed value of the property and result in a change in property tax.

(B) With the exception of county-wide reassessments, assessment appeal notices, notices of change in millage rates or increases in rates, in the event any other notices, including violations, and/or assessments are received after Seller has signed this Agreement and before settlement, Seller will within ___ days (10 if not specified) of receiving the notices and/or assessments provide a copy of the notices and/or assessments to Buyer and will notify Buyer in writing that Seller will:
1. Fully comply with the notices and/or assessments, at Seller’s expense, before settlement. If Seller fully complies with the notices and/or assessments, Buyer accepts the Property and agrees to the RELEASE in Paragraph 26 of this Agreement, OR
2. Not comply with the notices and/or assessments. If Seller chooses not to comply with the notices and/or assessments, or fails within the stated time to notify Buyer whether Seller will comply, Buyer will notify Seller in writing within ___ days (10 if not specified) that Buyer will:
   a. Comply with the notices and/or assessments at Buyer’s expense, accept the Property, and agree to the RELEASE in Paragraph 26 of this Agreement, OR
   b. Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of Paragraph 24 of this Agreement.

If Buyer fails to respond within the time stated in Paragraph 12(B)(1) or fails to terminate the Agreement by written notice to Seller within the time stated, Buyer will accept the Property and agree to the RELEASE in Paragraph 26 of this Agreement.

(C) If required by law, within _30_ DAYS from the Execution Date of this Agreement, but in no case later than _15_ DAYS prior to Settlement Date, Seller will order at Seller’s expense a certification from the appropriate municipal department(s) disclosing notice of any uncorrected violations of zoning, housing, building, safety or fire ordinances and/or a certificate permitting occupancy of the Property. If Buyer receives a notice of any required repairs/improvements, Buyer will promptly deliver a copy of the notice to Seller.

13. TAX DEFERRED EXCHANGE (4-14)
(A) If Seller notifies Buyer that it wishes to enter into a tax deferred exchange for the Property pursuant to the Internal Revenue Code, Buyer agrees to cooperate with Seller in connection with such exchange, including the execution of such documents as may be reasonably necessary to facilitate the exchange, provided that there shall be no delay in the agreed-to settlement date, and that any additional costs associated with the exchange are paid solely by Seller. Buyer is aware that Seller anticipates assigning Seller’s interest in this Agreement to a third party under an Exchange Agreement and consents to such assignment. Buyer shall not be required to execute any note, contract, deed or other document providing any liability which would survive the exchange, nor shall Buyer be obligated to take title to any property other than the Property described in this Agreement. Seller shall indemnify and hold harmless Buyer against any liability which arises or is claimed to have arisen from any aspect of the exchange transaction.

(B) If Seller notifies Buyer that it wishes to enter into an exchange for the Property pursuant to the Internal Revenue Code, Seller agrees to cooperate with Buyer in connection with such exchange, including the execution of such documents as may be reasonably necessary to facilitate the exchange, provided that there shall be no delay in the agreed-to settlement date, and that any additional costs associated with the exchange are paid solely by Seller. Buyer is aware that Seller has assigned Buyer’s interest in this Agreement to a third party under an Exchange Agreement and consents to such assignment. Seller shall not be required to execute any note, contract, deed or other document providing any liability which would survive the exchange. Buyer shall indemnify and hold harmless Seller against any liability which arises or is claimed to have arisen from any aspect of the exchange transaction.

14. COMMERCIAL CONDOMINIUM (10-01)
☐ NOT APPLICABLE.
☐ APPLICABLE. Buyer acknowledges that the condominium unit to be transferred by this Agreement is intended for nonresidential use, and that Buyer may agree to modify or waive the applicability of certain provisions of the Uniform Condominium Act of Pennsylvania (68 Pa.C.S. §3101 et seq.).

15. TITLES, SURVEYS AND COSTS (4-14)
(A) The Property will be conveyed with a good and marketable title that is insurable by a reputable title insurance company at the regular rates, free and clear of all liens, encumbrances, and easements, excepting however the following: existing deed restrictions; historic preservation restrictions or ordinances; building restrictions; ordinances; easements of roads; easements visible upon the ground; easements of record; and privileges or rights of public service companies, if any.

(B) Buyer will pay for the following: (1) Title search, title insurance, and/or mechanics’ lien insurance, or any fee for cancellation; (2) Flood insurance, fire insurance, hazard insurance, mortgage subsidence insurance, or any fee for cancellation; (3) Appraisal fees and closing costs paid in advance to mortgage lender; (4) Buyer’s customary settlement costs and accruals.

Buyer Initials: [Signature]

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Seller Initials: [Signature]

InstaNet
(C) Any survey or surveys required by the title insurance company or the abstracting company (or preparing an adequate legal description of the Property (or the correction thereof) will be obtained and paid for by Seller. Any survey or surveys desired by Buyer or required by the mortgage lender will be obtained and paid for by Buyer.

(D) In the event of a change in Seller's financial status affecting Seller's ability to convey title to the Property as set forth in this Agreement on or before the Settlement Date, or any extension thereof, Seller shall, within 30 days (if not specified) notify Buyer in writing. A change in financial status includes, but is not limited to. Seller filing bankruptcy, filing of a foreclosure law suit against the Property; entry of a monetary judgment against Seller; notice of public tax sale affecting the Property, and Seller learning that the sale price of the Property is not sufficient to satisfy all liens and encumbrances against the Property. In the event of the death of Seller, the representative of the estate, or a surviving Seller shall immediately notify Buyer.

(E) If Seller is unable to give good and marketable title that is insurable by a reputable title insurance company at the regular rates, as specified in Paragraph 15(A), Buyer may terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of Paragraph 24 of this Agreement. Upon termination, Seller will reimburse Buyer for any loss or expense incurred by Buyer for any inspections or certifications obtained according to the terms of this Agreement, and for those items specified in Paragraph 15(B)(1), (2), (3) and in Paragraph 15(C).

(F) Oil, gas, mineral, or other rights of this Property may have been previously conveyed or leased, and Sellers make no representation about the status of those rights unless indicated elsewhere in this Agreement.

*COAL NOTICE (Where Applicable)*

The surface land described or referred to herein, and the owner or owners of such coal may have the complete legal right to remove all such coal and in that connection, damage may result to the surface of the land and any house, building or other structure on or in such land. (This notice is set forth in the manner provided in Section 1 of the Act of July 17, 1957, P.L. 984.) Buyer acknowledges that he may not be obtaining the right of protection against subsidence resulting from coal mining operations, and that the property described herein may be protected from damage due to mine subsidence by a private contract with the owners of the economic interests in the coal. This acknowledgement is made for the purpose of complying with the provisions of Section 14 of the Bituminous Mine Subsidence and the Land Conservation Act of April 27, 1960. Buyer agrees to sign the deed from Seller which deed will contain the aforesaid provision.

(H) The Property is not a "recreational cabin" as defined in the Pennsylvania Construction Code Act unless otherwise stated here:

1. This property is not subject to a Private Transfer Fee Obligation unless otherwise stated here.

(2) Notice Regarding Private Transfer Fees: In Pennsylvania, Private Transfer Fees are defined and regulated in the Private Transfer Fee Obligation Act (Act 1 of 2011, 68 Pa.C.S. §§ 8101, et seq.), which defines a Private Transfer Fee as "a fee that is payable upon the transfer of an interest in real property, or payable for the right to make or accept the transfer, if the obligation to pay the fee or charge runs with title to the property or otherwise binds subsequent owners of property, regardless of whether the fee or charge is a fixed amount or is determined as a percentage of the value of the property, the purchase price or other consideration given for the transfer." A Private Transfer Fee must be properly recorded to be binding, and sellers must disclose the existence of the fees to prospective buyers. Where a Private Transfer Fee is not properly recorded or disclosed, the Act gives certain rights and protections to buyers.

16. MAINTENANCE AND RISK OF LOSS (9-06)

(A) Seller will maintain the Property, grounds, fixtures and personal property specifically listed in this Agreement in its present condition, normal wear and tear excepted.

(B) Seller will promptly notify the Buyer if, at any time prior to the time of settlement, all or any portion of the Property is destroyed, damaged as a result of any cause whatsoever.

(C) Seller bears the risk of loss from fire or other casualties until settlement. If any property included in this sale is destroyed and not replaced, Buyer will:

1. Accept the Property in its then current condition together with the proceeds of any insurance recovery obtainable by Seller, OR

2. Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of Paragraph 24 of this Agreement.

17. RECORDING (9-05)

This Agreement will not be recorded in the Office of the Recorder of Deeds or in any other office or place of public record. If Buyer causes or permits this Agreement to be recorded, Seller may elect to treat such act as a default of this Agreement.

18. ASSIGNMENT (1-10)

This Agreement is binding upon the parties, their heirs, personal representatives, guardians and successors, and to the extent assignable, on the assigns of the parties hereto. Buyer will not transfer or assign this Agreement without the written consent of Seller unless otherwise stated in this Agreement. Assignment of this Agreement may result in additional transfer taxes.

19. GOVERNING LAW, VENUE AND PERSONAL JURISDICTION (9-05)

(A) The validity and construction of this Agreement, and the rights and duties of the parties, will be governed in accordance with the laws of the Commonwealth of Pennsylvania.

(B) The parties agree that any dispute, controversy or claim arising under or in connection with this Agreement or its performance by either party submitted to a court shall be filed exclusively by the state or federal courts sitting in the Commonwealth of Pennsylvania. Seller understands that any documentation provided under this provision may be disclosed to the Internal Revenue Service by Buyer, and that any false statements contained therein could result in punishment by fine, imprisonment, or both.

Buyer Initialed: [Signature]

ASC Page 6 of 9 

seller Initialed: [Signature]
20. NOTICE REGARDING CONVICTED SEX OFFENDERS (MEGAN'S LAW) (6-13)
The Pennsylvania General Assembly has passed legislation (often referred to as "Megans's Law": 42 Pa.C.S. § 9791 et seq.) providing for community notification of the presence of certain convicted sex offenders. **Buyers are encouraged to contact the municipal police department or the Pennsylvania State Police** for information relating to the presence of sex offenders near a particular property, or to check the information on the Pennsylvania State Police Web site at www.pameganslaw.state.pa.us.

21. CERTIFICATION OF NON-FOREIGN INTEREST (10-01)
☐ Seller is a foreign person, foreign corporation, foreign partnership, foreign trust, or foreign estate subject to Section 1445 of the Internal Revenue Code, which provides that a transferee (Buyer) of a U.S. real property interest must withhold tax if the transferor (Seller) is a foreign person.
☐ Seller is NOT a foreign person, foreign corporation, foreign partnership, foreign trust, or foreign estate as defined by the Internal Revenue Code, or is otherwise not subject to the tax withholding requirements of Section 1445 of the Internal Revenue Code. To inform Buyer that the withholding of tax is not required upon the sale-disposition of the Property by Seller, Seller hereby agrees to furnish Buyer, at or before closing, with the following:
☐ An affidavit stating, under penalty of perjury, the Seller's U.S. taxpayer identification number and that the Seller is not a foreign person.
☐ A "qualifying statement," as defined by statute, that tax withholding is not required by Buyer.
☐ Other: _______________________

22. REPRESENTATIONS (1-10)
(A) All representations, claims, advertising, promotional activities, brochures or plans of any kind made by Seller, Brokers, their licensees, officers or partners are not a part of this Agreement unless expressly incorporated or stated in this Agreement. This Agreement contains the entire agreement between Seller and Buyer, and there are no other terms, obligations, covenants, representations, statements or conditions, oral or otherwise, of any kind whatsoever concerning this sale. This Agreement will not be altered, amended, changed or modified except in writing executed by the parties.

(B) Brokers have provided or may provide services to assist unrepresented parties in complying with this Agreement.

23. BROKER INDEMNIFICATION (6-13)
(A) Buyer and Seller represent that the only Brokers involved in this transaction are: American Dream Real Estate Appraisal & Management, Inc.
and that the transaction has not been brought about through the efforts of anyone other than said Brokers. It is agreed that if any claims for brokerage commissions or fees are ever made against Buyer or Seller in connection with this transaction, each party shall pay its own legal fees and costs in connection with such claims. It is further agreed that Buyer and Seller agree to indemnify and hold harmless each other and the above-listed Brokers from and against any claim or loss or claim for brokerage commissions, including all legal fees and costs, that may be made by any person or entity. This paragraph shall survive settlement.

(B) Seller and Buyer acknowledge that any Broker identified in this Agreement: (1) Is a licensed real estate broker; (2) Is not an expert in construction, engineering, code or regulatory compliance or environmental matters and was not engaged to provide advice or guidance in such matters, unless otherwise stated in writing; and (3) Has not made and will not make any representations or warranties nor conduct investigations of the environmental condition or suitability of the Property or any adjacent property, including but not limited to those conditions listed in Paragraph 9(C).

24. DEFAULT, TERMINATION AND RETURN OF DEPOSITS (1-10)
(A) Where Buyer terminates this Agreement pursuant to any right granted by this Agreement, Buyer will be entitled to a return of all deposit monies paid on account of Purchase Price pursuant to the terms of Paragraph 24(B), and this Agreement will be VOID. Termination of this Agreement may occur for other reasons giving rise to claims by Buyer and/or Seller for the deposit monies.

(B) Regardless of the apparent entitlement to deposit monies, Pennsylvania law does not allow a Broker holding deposit monies to determine who is entitled to the deposit monies when settlement does not occur. Broker can only release the deposit monies:
1. If this Agreement is terminated prior to settlement and there is no dispute over entitlement to the deposit monies. A written agreement signed by both parties is evidence of there is no dispute regarding deposit monies.
2. If, after Broker has received deposit monies, Broker receives a written agreement that is signed by Buyer and Seller, directing Broker how to distribute some or all of the deposit monies.
3. According to the terms of a final order of court.
4. According to the terms of a prior written agreement between Buyer and Seller that directs the Broker how to distribute the deposit monies if there is a dispute between the parties that is not resolved. (See Paragraph 24(C))

(C) Buyer and Seller agree that if there is a dispute over the entitlement to deposit monies that is unsolved days (180 if not specified) after the Settlement Date stated in Paragraph 3(A) (or any written extensions thereof) or following date of termination of the Agreement, whichever is earlier, then the Broker holding the deposit monies will, within 30 days of receipt of Buyer's written request, distribute the deposit monies to Buyer unless the Broker is in receipt of verifiable written notice that the dispute is the subject of litigation. If Broker has received verifiable written notice of litigation prior to the receipt of Buyer's request for distribution, Broker will continue to hold the deposit monies until receipt of a written distribution agreement between Buyer and Seller or a final court order. Buyer and Seller are advised to initiate litigation for any portion of the deposit monies prior to any distribution made by Broker pursuant to this paragraph. Buyer and Seller agree that the distribution of deposit monies based upon the passage of time does not legally determine entitlement to deposit monies, and that the parties maintain their legal rights to pursue litigation even after a distribution is made.

(D) Buyer and Seller agree that Broker who holds or distributes deposit monies pursuant to the terms of Paragraph 24 or Pennsylvania law will not be liable. Buyer and Seller agree that if any Broker or affiliated licensee is named in litigation regarding deposit monies, the attorneys' fees and costs of the Broker(s) and licensee(s) will be paid by the party naming them in litigation.
(E) Seller has the option of retaining all sums paid by Buyer, including the deposit monies, should Buyer:
1. Fail to make any additional payments as specified in Paragraph 2, OR
2. Furnish false or incomplete information to Seller, Broker(s), or any other party identified in this Agreement concerning Buyer's legal or financial status, OR
3. Violate or fail to fulfill and perform any other terms or conditions of this Agreement.
(F) Unless otherwise checked in Paragraph 24(G), Seller may elect to retain those sums paid by Buyer, including deposit monies:
1. On account of purchase price, OR
2. As monies to be applied to Seller's damages, OR
3. As liquidated damages for such default.
(G) SELLER IS LIMITED TO RETAINING SUMS PAID BY BUYER, INCLUDING DEPOSIT MONIES, AS LIQUIDATED DAMAGES.
(H) If Seller retains all sums paid by Buyer, including deposit monies, as liquidated damages pursuant to Paragraph 24(F) or (G), Buyer and Seller are released from further liability or obligation and this Agreement is VOID.
(I) Brokers and licensees are not responsible for unpaid deposits.

25. ARBITRATION OF DISPUTES (1-80)
Buyer and Seller agree to arbitrate any dispute between them that cannot be amicably resolved. After written demand for arbitration by either Buyer or Seller, each party will select a competent and disinterested arbitrator. The two so selected will select a third. If selection of the third arbitrator cannot be agreed upon within 30 days, either party may request that selection be made by a judge of a court of record in the county in which arbitration is pending. Each party will pay its own arbitrator and bear equally expenses for the third and all other expenses of arbitration. Arbitration will be conducted in accordance with the provisions of Pennsylvania Common Law Arbitration Act 42 Pa. C.S.A. §7341 et seq. This agreement to arbitrate disputes arising from this Agreement will survive settlement.

26. RELEASE (9-05)
Buyer releases, quit claims and forever discharges SELLER, ALL BROKERS, their LICENSEES, EMPLOYEES and any OFFICER or PARTNER of any one of them and any other PERSON, FIRM or CORPORATION who may be liable by or through them, from any and all claims, losses or demands, including, but not limited to, personal injury and property damage and all of the consequences thereof, whether known or not, which may arise from the presence of termites or other wood-boring insects, radon, lead-based paint hazards, mold, fungi, indoor air quality, environmental hazards, any defects in the individual on-lot sewage disposal system or deficiencies in the on-site water service system, or any defects or conditions on the Property. Should Seller be in default under the terms of this Agreement or in violation of any Seller disclosure law or regulation, this release does not deprive Buyer of any right to pursue any remedies that may be available under law or equity. This release will survive settlement.

27. REAL ESTATE RECOVERY FUND (9-45)
A Real Estate Recovery Fund exists to reimburse any person who has obtained a final civil judgment against a Pennsylvania real estate licensee (or a licensee's affiliates) owing to fraud, misrepresentation, or deceit in a real estate transaction and who have been unable to collect the judgment after exhausting all legal and equitable remedies. For complete details about the Fund, call (717) 783-3658 or (800) 822-2113 (within Pennsylvania) and (717) 783-4854 (outside Pennsylvania).

28. COMMUNICATIONS WITH BUYER AND/OR SELLER (6-13)
Wherever this Agreement contains a provision that requires or allows communication/delivery to a Buyer, that provision shall be satisfied by communication/delivery to the Broker for Buyer, if any, except where required by law. If there is no Broker for Buyer, those provisions may be satisfied only by communication/delivery being made directly to the Buyer, unless otherwise agreed to by the parties. Wherever this Agreement contains a provision that requires or allows communication/delivery to a Seller, that provision shall be satisfied by communication/delivery to the Broker for Seller, if any. If there is no Broker for Seller, those provisions may be satisfied only by communication/delivery being made directly to the Seller, unless otherwise agreed to by the parties.

29. NOTICE BEFORE SIGNING (4-14)
Unless otherwise stated in writing, Buyer and Seller acknowledge that Brokers are not experts in legal or tax matters and that Brokers have not made, nor will they make, any representations or warranties nor conduct research of the legal or tax ramifications of this Agreement. Buyer and Seller acknowledge that Brokers have advised them to consult and retain experts concerning the legal and tax effects of this Agreement and, as well, as the condition and/or legality of the Property, including, but not limited to, the Property's improvements, equipment, soil, tenancies, title and environmental aspects. Buyer and Seller acknowledge receipt of a copy of this Agreement at the time of signing. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and which counterparts together shall constitute one and the same Agreement of the Parties. WHEN SIGNED, THIS AGREEMENT IS A BINDING CONTRACT. Return of this Agreement, and any addenda and amendments, including return by electronic transmission, bearing the signatures of all parties, constitutes acceptance by the parties.

30. SPECIAL CLAUSES (4-14)

(A) The following are part of this Agreement if checked:
- Appraisal Contingency Addendum to Agreement of Sale (PAR Form ACA)
- Short Sale Addendum to Agreement of Sale (PAR Form SSH)
- Zoning Change Addendum to Agreement of Sale (PAR Form ZCA)
- [ ] Temporary Lease-Purchase Agreement
- [ ] A release of funds addendum from financial institution

Buyer Initials: [Signature]  [Signature]  [Signature]  [Signature]
Seller Initials:  [Signature]  [Signature]  [Signature]  [Signature]  [Signature]

Instant!  [Signature]  [Signature]  [Signature]  [Signature]  [Signature]
(B) Additional Terms:

X Buyer has received the Consumer Notice, where applicable, as adopted by the State Real Estate Commission at 49 Pa. Code §35.336.

X Buyer has received a statement of Buyer's estimated closing costs before signing this Agreement.

X Buyer has received the Deposit Money Notice (for cooperative sales when Broker for Seller is holding deposit money) before signing this Agreement.

BUYER

Mailing Address
Phone(s)
Fax
Email

BUYER

Mailing Address
Phone(s)
Fax
Email

AUTHORIZED REPRESENTATIVE

Title

COMPANY

X Seller has received the Consumer Notice, where applicable, as adopted by the State Real Estate Commission at 49 Pa. Code § 35.336. Seller has received a statement of Seller's estimated closing costs before signing this Agreement.

VOLUNTARY TRANSFER OF CORPORATE ASSETS (if applicable): The undersigned acknowledges that he/she is authorized by the Board of Directors to sign this Agreement on behalf of the Seller corporation and that this sale does not constitute a sale, lease, or exchange of all or substantially all the property and assets of the corporation, such as would require the authorization or consent of the shareholders pursuant to 15 P.S. §1311.

SELLER

Mailing Address
Phone(s)
Fax
Email

SELLER

Mailing Address
Phone(s)
Fax
Email

SELLER

Mailing Address
Phone(s)
Fax
Email

AUTHORIZED REPRESENTATIVE

Title

COMPANY

Mary Selby

RS296625

American Green Real Estate Appraisal, Inc.
TRIPLE NET REAL ESTATE LEASE

This Lease Agreement (this "Lease") is made and entered into this the __ day of ____________, by and between TQLA Management Corp. ("Landlord") and Medganics, LLC ("Tenant").

RECITALS

WHEREAS, Landlord has contracted for the purchase of, and will close and own, pursuant to, and subject to, a Sales Contract, real property comprising a three thousand one-hundred and thirty (3,130) square foot commercial building situated on .55 acres, located at 218 Parkhill Drive, Johnstown, Pennsylvania, 15945 (hereinafter the "Premises" or "Property");

WHEREAS, Landlord desires to lease said property to Tenant for the specific purpose of Tenant utilizing said property as a medical marijuana dispensary operation;

WHEREAS, Landlord agrees, acknowledges and affirms that it will have full right and authority to transfer to Tenant the Property in fee simple upon exercise of option to buy said Property by Tenant.

NOW THEREFORE, intending to be legally bound, the parties heretofore agree as follows:

1. INCORPORATION OF RECITALS. The foregoing recitals are hereby incorporated as part of this Lease agreement as if fully set forth herein.

2. PREMISES. Landlord, in consideration of the lease payments provided under this Lease, leases to Tenant the Premises, real property comprising a three thousand one-hundred and thirty (3,130) square foot commercial building situated on a .55 acre lot, located at 218 Parkhill Drive, Johnstown PA 15945.

3. TERM. Tenant will be given possession of said property on the date the lease term begins. Unless terminated sooner pursuant to the terms of this Lease ("Term"), Tenant will have the option to continue the Lease for two (2) additional five-year terms. Tenant will notify Landlord in writing six (6) months before the option to extend the Lease term. It is understood that either party must provide written notification to the other party at least thirty (30) days in advance of intent to vacate the premises. Tenant will take possession of the Premises "as is". Upon vacating the Premises, Tenant hereby agrees to return the Premises in good repair and "Broom Cleaned" condition as of the commencement date of the Lease.

4. TRIPLE NET LEASE. This Lease is what is commonly referred to as a "Triple Net Lease", it being the intention of the parties that Landlord shall not have any responsibility
of any kind or nature whatsoever to maintain, repair, improve, alter or in any way incur any expense in connection with the Property, and that the rent and any other payments to be made by the Tenant to or on behalf of Landlord under the terms hereof, are to be free and clear of any impositions, expenses or setoffs of any kind or nature whatsoever, including without limitation, any taxes, charges or expense in connection with the ownership, maintenance, repair and operation of the Property, all such expenses, charges and taxes to be paid by the Tenant as provided herein.

5. **BASE RENT.**

6. **POSSESSION.** Tenant shall be entitled to possession on the first day of the term of this Lease, and shall yield possession to Landlord on the last day of the term of this Lease, unless otherwise agreed by both parties in writing. At the expiration of the term, Tenant shall remove its goods and effects and peaceably yield up the Premises to Landlord in as good a condition as when delivered to Tenant, ordinary wear and tear and approved renovations excepted.

7. **USE AS MEDICAL MARIJUANA DISPENSARY.** Tenant shall use the Property for a licensed retail medical marijuana dispensary and office space and all other lawful uses allowed under 2016 ACT 6 of the State of Pennsylvania, and the Rules and Regulations of the Pennsylvania Department of Health, 28 PA.CODEx CH.1 161, the Municipal Zoning Codes of the Township of Upper Yoder, County of Cambria, and other applicable codes, including that Tenant shall not be allowed to use the Property for cultivation of marijuana or manufacture of marijuana-infused products. Both Landlord and Tenant shall comply in all material respects with all present and future State laws, County or Township ordinances or regulation, over the Property, concerning the use, occupancy, and condition of the Property and all machinery, equipment and furnishings therein, including, without limitation, the risk compliance with PA 2016 ACT 16, the Medical Marijuana Act and all other laws, ordinances, regulations, rules, orders and directives of any governmental agencies or authorities having jurisdiction over the same and alteration or improvements necessitated by the Permitted Use. Tenant will provide written notice to Landlord within five (5) business days after Tenant receives any notice of statutory or regulatory changes that require compliance by Landlord or Tenant to new codes or regulations from the State of Pennsylvania, any Agencies of the State, and/or the City of Pittsburgh or any other governmental or regulatory authority to comply with any such law, ordinance, rule, or regulation and the Parties will take all steps necessary to have the Property be in full compliance. Tenant will maintain the security of the Property against criminal activity in compliance with the Medical Marijuana Act. In the event that Tenant's sale or distribution of medical marijuana products at any time becomes impermissible under the Medical Marijuana Act, Tenant will so notify Landlord and will immediately and properly dispose of all products on the Property in any manner permitted or required by law. Tenant will
provide to Landlord upon request copies of any public licenses relating to Tenant's use of the Property. In no event, shall Tenant operate any business on the Property without having first provided Landlord with evidence Tenant has obtained all licenses required by any governmental authority necessary to operate such business.

8. ALTERATIONS. Tenant shall not, without first obtaining Landlord's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) on each occasion, make any improvements or repairs to the premises. Notwithstanding the foregoing, Tenant may, without the consent of landlord, make improvements or repairs to the interior or exterior of the premises, to allow full and complete compliance with 2016 ACT 16 of the State of Pennsylvania, and the Rules and Regulations of the Pennsylvania Department of Health, 28 PA. CODE CH.1161, and all Codes of the Township of Jackson pertaining to medical marijuana dispensaries, and all subsequent amendments thereto, provided that:
   a. They do not impact the structural strength, integrity, operation or value of the building, AND
   b. Tenant shall take all steps required or permitted by law to avoid the imposition of any mechanic's lien upon the property, improvements, or land.
   c. Tenant covenants and agrees that all permitted Alterations constructed on the Property or work performed or caused to be performed by Tenant shall be in full compliance with all laws, rules, orders, ordinances, directions, codes, regulations and requirements of all governmental agencies, offices, departments, bureaus and boards having jurisdiction over the Property. Tenant shall provide Landlord with at least fourteen (14) days’ notice prior to commencing construction of any improvements.
   d. COSTS OF ALTERATIONS. Tenant shall pay all costs of constructing any such Alterations approved by Landlord, including but not limited to fees and costs charged by architects, engineers, the general contractor, subcontractors, and laborers and material men, and shall not permit any mechanic's or material man’s lien to be filed against the Premises in connection therewith.

9. PROPERTY INSURANCE. Tenant shall maintain casualty property insurance on the Premises and all improvements against loss or damage by fire and lightning and against loss or damage by other risks in an amount not less than 100% of the full replacement value. Landlord shall be named as an additional insured in such policies.

10. LIABILITY INSURANCE. Tenant shall maintain liability insurance on the Premises in a total aggregate sum of at least One Million Dollars ($1,000,000.00). Tenant shall deliver appropriate evidence to Landlord as proof that adequate insurance is in force issued by companies reasonably satisfactory to Landlord each year. Landlord shall receive advance written notice from the insurer prior to any termination of such insurance policies.

11. MAINTENANCE. Tenant shall have the responsibility to maintain the Premises in good repair at all times during the term of this Lease, including the costs thereof.

12. UTILITIES AND SERVICES. Tenant shall be responsible for all utilities and services
incurred in connection with the Premises, including the costs thereof.

13. DEFAULT AND REMEDIES

a. Definition of Default. The occurrence of any of the following shall constitute an “Event of Default” under this Lease: (a) Tenant shall fail to make any Rent payments or pay any other financial obligation hereunder to Landlord or a third party when the same is due and payable under the terms of this Lease, or (b) Tenant shall fail to perform any other duty or obligation imposed upon it by this Lease and such failure shall continue for a period of fifteen (15) days after written notice thereof has been given to Tenant by Landlord; or (c) Tenant shall be adjudged bankrupt, or shall make a general assignment for the benefit of its creditors, or (d) a receiver of any property of Tenant in or upon the Land or the Improvements is appointed in any action, suit, or proceeding by or against Tenant and such appointment shall not be vacated or annulled within sixty (60) days, or (e) Tenant shall fail to assume or reject this Lease within sixty (60) days after an order for bankruptcy relief has been entered against Tenant.

b. Landlord Remedies. Upon the occurrence of an Event of Default, Landlord shall:

1) Serve notice upon Tenant that this Lease and the then unexpired Lease Term hereof shall cease and expire and become absolutely void on the date specified in such notice unless Tenant save the forfeiture by payment of any sum due within 15 days including any late fees. Thereupon, if not paid, Tenant shall immediately quit and surrender to Landlord the Premises

2) Cure or perform for the account of Tenant any such matter or obligation in default by Tenant and Tenant shall immediately pay on account thereof as additional rent any expenditures made and the amount of any obligations incurred in connection therewith, plus 6% interest from the date of any such expenditure until paid. All other sums payable by Tenant hereunder but not paid when due shall also bear interest at 6% until paid.

3) Exercise such other rights and remedies as may be available to it under the Lease and/or otherwise available under applicable law.

14. LATE PAYMENT. Tenant shall pay a late fee of 5% of the monthly rental amount due for that month if the Base Rent is not received by the 5th of the month.

15. NON-SUFFICIENT FUNDS. Tenant shall pay a fee of fifty dollars ($50.00) for each check that is returned to Landlord for non-sufficient funds.

16. ACCESS BY LANDLORD TO PREMISES. Subject to Tenant's consent, which shall not be unreasonably withheld, Landlord shall have the right to enter the Premises to make inspections, provide necessary services, or show the unit to prospective buyers, mortgagees, tenants or workers upon 72 hours’ notice of date, time and reason for visit. Tenant shall also permit any and all representatives of any governmental and/or regulatory authority to enter the Property pursuant to the Marijuana Code. Tenant shall not be required to provide Landlord with keys of access to its security rooms or vaults where
cannabis products are stored. Such areas shall be under 24-hours surveillance.

17. **COMPLIANCE WITH REGULATIONS.** Tenant shall promptly comply with all laws, ordinances, requirements and regulations of the federal, state, county, municipal and other authorities, and the firm insurance underwriters. However, Tenant shall not by this provision be required to make alterations to the exterior of the building or alterations of a structural nature.

18. **GOVERNING LAW.** This Lease shall be construed in accordance with the laws of the Commonwealth of Pennsylvania.

19. **AMENDMENT.** This Lease may not be modified, supplemented or amended other than by a writing executed by both the Landlord and Tenant.

20. **SEVERABILITY.** If any portion of the Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed and enforced as so limited.

21. **WAIVER.** The failure of either party to enforce any provision of this Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

22. **BINDING EFFECT.** The provisions of this Lease shall be binding upon and inure to the benefit of the parties and their respective legal representative, successors and assigns.

23. **INDEMNITY.** Tenant agrees that it will indemnify Landlord for, and save Landlord harmless against, any and all losses, expenses, claims and/or liability for damages of any kind which may arise at any time (1) from any failure of Tenant to fulfill the maintenance obligations imposed on it under this Lease, (2) from any negligent or intentional act or omission of or attributable to Tenant, its employees, agents and invitees, and/or (3) from any personal injury or death or loss or damage to property or any other matter suffered or incurred by any person, firm or other entity (including the parties hereto) arising out of or attributable to the leasing or use of the Premises by Tenant. Tenant also agrees that it will indemnify Landlord for, and save Landlord harmless against, any claims or liability for compensation under any applicable workmen's compensation statute arising out of injuries sustained by any employee of Tenant and/or of any licensees, contractors or subcontractors of Tenant.

24. **SURRENDER OF PREMISES.** If Tenant does not purchase the Premises pursuant to its option to purchase, upon the expiration or termination of this Lease, Tenant will vacate and surrender Premises Land to Landlord in good order and condition. Tenant waives all right to any notice which may be required under any law or hereafter in effect in
Pennsylvania, including the Tenant Act of 1951, as amended, including, but not limited to, the requirement of notice to vacate the Premises at the end of the Term or upon forfeiture of this Lease for breach of its conditions, and covenants and agrees to give up quiet and peaceable possession without further notice from Landlord or its agent.

25. **LANDLORD'S RESPONSIBILITY UPON VACATING OF PREMISES BY TENANT.** If Tenant abandons or vacates any portion of the Property or is in default in the payment of any rent, damages or other payments required to be made by this Lease or is in default of any other provision of this Agreement, Landlord may not enter upon the Property, until it first notifies the Pennsylvania Department of Health of its intent to do so and obtains permission to enter the premises. **IN NO EVENT, SHALL LANDLORD TAKE POSSESSION OR CONTROL OF ANY CANNABIS PRODUCTS.** If Landlord discovers cannabis products remaining on the abandoned premises, Landlord agrees that Landlord must notify the Pennsylvania Department of Health and strictly follow instructions provided by the DOH.

26. **TERMINATION DUE TO CHANGE IN LAW.** In the event the State of Pennsylvania changes the law, including the Medical Marijuana Act, or law enforcement priorities, or the City and County of Pittsburgh changes ordinances, zoning codes or policy or law enforcement priorities, or the Federal government changes law enforcement priorities to cause the use of the Premises (defined as a medical marijuana dispensary) to change that would make Tenant's intended use of Premises unlawful anytime during the Term, either Landlord or Tenant shall have the right to terminate the Lease. In such event, the terminating party shall provide the non-terminating party with written notice of its intent to terminate the Lease one hundred twenty (120) days prior to the desired date of termination of the Lease. Landlord acknowledges and agrees that Tenant intends to sell and distribute medical cannabis products on the Property and, although deemed legal pursuant to PA 2016 ACT 16, that the Permitted Use is illegal under the Controlled Substances Act, 21 U.S.C. §§ 801, et seq.

27. **NOTICE.** No notice under this Lease shall be deemed valid unless given or served in writing and forwarded by mail, postage prepaid, addressed to the parties below:

**TO LANDLORD:**
TQLA Management Corp.
Attn: Mary A. Parker
6877 US 322
Franklin, PA 16323

**TO TENANT:**
Medganics, LLC
Attn: Nickolas Palacios
6877 US 322
Franklin, PA 16323
Landlord and Tenant execute this Lease Agreement on the dates set forth below.

LANDLORD:

[Signature]

TQLA Management Corp.
By: Mary A. Parker, CEO

Date: March 17, 2017

TENANT:

[Signature]

Medganics, LLC
By: Nickolas Palacios, Corp. Secy.

Date: March 17, 2017
March 18, 2017

To Whom It May Concern:

TQLA Management Corp. has contracted to purchase, and is purchasing, property located at 218 Parkhill Drive, East Taylor Township, Johnstown, Cambria County, Pennsylvania, 15945.

TQLA Management Corp. has entered into a lease agreement for said property with Medganics, LLC, specifically for the purpose of the establishment of a medical marijuana dispensary location, pursuant to an expected permit being issued by the PA Department of Health.

Landlord gives complete permission for the use of the property as a medical marijuana dispensary and grants permission to the Tenant to perform whatever changes are necessary to the property to comply with the medical marijuana dispensary law.

Sincerely,

[Signature]

TQLA Management Corp.
Mary A. Parker, CEO
March 17, 2017

Mary A. Parker, Attorney
Parker & Crofford
1230 Second Avenue South
Nashville, Tennessee 37210

Dear Ms. Parker:

RE: TQLA Management Corporation/ Frank and Barbara Kusher
218 Parkhill Drive, Johnstown, PA 15909
Parcel # 23-019.-409.000
Control #55135

In response to your zoning request and our previous telephone conversations on March 16, 2017 regarding the use of the above noted property as a medical marijuana dispensary facility; this agency has confirmed the following. The property is located within East Taylor Township, Cambria County where the property is zoned as a “Mixed Use” area. Within this zoning district you are allowed to have the following permitted uses as shown under section 4.03A of the zoning ordinance.

1. Banks and related financial establishments
2. Bed and Breakfast Inns
3. Church/House of Worship
4. Clubs, Lodges, and Fraternal Organizations, excluding adult entertainment (See Section 5.05)
5. Commercial Establishments (excluding adult entertainment)
6. Convenience stores
7. Day Care Facilities
8. Drinking establishments
9. Dwellings, conversion apartment
10. Dwellings, Multi-family
11. Dwellings, Single-family detached and attached
12. Dwellings, Two-family
13. Eating establishments (including drive-in service)
14. Essential Service
15. Flea market
16. Funeral home
17. Group home/rooming house
18. Home Occupation (See Section 5.09)
19. Mobile Home/ Manufactured Home
20. Nursing home/Personal care home
21. Private recreation/amusement establishment (excluding adult entertainment)
22. Professional and business offices
23. Self-service storage facilities
24. Service stations
25. Shopping center
26. Social and Fraternal Organization Halls and Private clubs (excluding adult entertainment)
27. Veterinary/Animal hospital
28. Accessory Buildings and Uses on the same lot with and incidental to any of the above uses
29. Forestry
30. No-Impact Home Based Businesses

This agency has found through our research, with the advice of East Taylor Township Solicitor David Raho and East Taylor Township Zoning Hearing Board Solicitor Eric Hochfeld, that the intended use of the above noted property does not meet the permitted uses within this district. However, Section 403.B of the zoning ordinance states that commercial establishments not meeting any of the categories in the Permitted Uses require special exception in accordance with Article VI of the Zoning Ordinance and are subject to review and action by the East Taylor Township Zoning Hearing Board. Therefore, the intended use may be permitted with the approval of the East Taylor Township Zoning Hearing Board. In order to apply for the variance, you will need to contact East Taylor Township; their phone number is [REDACTED].

Please note that if you apply and receive a variance from the Zoning Hearing Board, you will still need to obtain a certificate of occupancy for this use in order to occupy this structure as a medical marijuana dispensary facility. Our agency also wants to advise you that East Taylor Township also requires building permits for any alterations and signs. Please contact our agency if you should need any building permit applications.

Enclosed within this letter is an invoice for the Zoning Review per your request, as mentioned within our telephone conversation on March 16, 2017. If you should have any further questions, please feel free to contact our agency during our normal business hours of Monday through Friday 8am to 4pm.

Sincerely,

[Signature]
Andrew Holodnik
Inspector/Zoning Officer

Cc: East Taylor Township Supervisors
    David Raho, East Taylor Township Solicitor
    Eric Hochfeld, East Taylor Township Zoning Hearing Board Solicitor

Enc.
March 17, 2017

Zoning Hearing Board
East Taylor Township
2402 William Penn Ave
Johnstown, PA 15909

Re: TQLA Management Corp. and Medganics, LLC

To Whom It May Concern:

Please accept this letter as our request for a hearing in front of the Zoning Hearing Board of East Taylor Township in order to finalize a zoning variance exception for the following location:

218 Parkhill Drive
East Taylor Township
Johnstown, PA 15909
Parcel # 23-019.-409.000
Control #55135

Frank and Barbara Kusher currently own this property. TQLA Management Corp, a real estate investment company, Delaware Corporation, authorized to do business in Pennsylvania, has entered into a sales contract with the Kushers for the purchase of said property, with a lease agreement to Medganics, LLC. As we have discussed, Medganics’ will be operating a medical marijuana dispensary at the location, if granted a permit from the Pennsylvania Department of Health.

The purpose of this variance request is to comply with Section 403.B of Article IV of the Zoning Ordinances of East Taylor Township, requiring a hearing for the zoned “mixed use” property, required for any use not listed in the Ordinance, such as a pharmacy or a medical marijuana dispensary. Under 2016 ACT 16 of the State of Pennsylvania, and the Rules and Regulations of the Pennsylvania Department of Health, 28 PA.CODE CH.1161, there are very strict rules
Enclosed is a check for $750.00 for this requested hearing.

Thank you in advance for your assistance. If you need any further documents from us at this time, please advice.

Sincerely,

[Signature]

Mary A. Parker

MAP/VW
# COMMERCIAL LEASE

This form recommended and approved for, but not restricted to use by, the members of the Pennsylvania Association of Realtors® (PAR).

## PARTIES

<table>
<thead>
<tr>
<th>TENANT(S):</th>
<th>LANDLORD(S): Essa Khalil and Hasmie Khalil</th>
</tr>
</thead>
<tbody>
<tr>
<td>TQLA Management Corp.</td>
<td></td>
</tr>
<tr>
<td>Authorized Signer: Mary Parker</td>
<td>Authorized Signer: Hasmie Khalil</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TENANT'S PRINCIPAL PLACE OF BUSINESS:</th>
<th>LANDLORD'S PRINCIPAL PLACE OF BUSINESS:</th>
</tr>
</thead>
<tbody>
<tr>
<td>6877 US 322 Franklin PA 16323</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TENANT'S EMAIL ADDRESS:</th>
<th>LANDLORD'S EMAIL ADDRESS:</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="mailto:mparker@parker-crofford.com">mparker@parker-crofford.com</a></td>
<td></td>
</tr>
</tbody>
</table>

## PREMISES

A portion of the real property known as Suite Number(s) N/A, 901 basin+first 2 floors and 903 all floor(s), consisting of approximately 7400 square feet and located at 901-903 E. Carson Street N/A

in the municipality of Pittsburgh N/A

in the Commonwealth of Pennsylvania, with improvements consisting of N/A

<table>
<thead>
<tr>
<th>Unit(s)</th>
<th>ZIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>15203</td>
</tr>
</tbody>
</table>

## TENANT'S RELATIONSHIP WITH PA LICENSED BROKER

- No Business Relationship (Tenant is not represented by a broker)

<table>
<thead>
<tr>
<th>Broker (Company)</th>
<th>Licensee(s) (Name)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlson &amp; Associates, Inc.</td>
<td>Michael Cunko</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Company Address</th>
<th>Direct Phone(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>106 S. 18th Street Pittsburgh, PA 15203</td>
<td>DOH REDACTION</td>
</tr>
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<table>
<thead>
<tr>
<th>Company Phone</th>
<th>Cell Phone(s)</th>
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</thead>
<tbody>
<tr>
<td>(412) 431-1718</td>
<td>DOH REDACTION</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Company Fax</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>(412) 488-1588</td>
<td>(412) 488-1588</td>
</tr>
</tbody>
</table>

Broker is (check only one):
- Tenant Agent (Broker represents Tenant only)
- Dual Agent (See Dual and/or Designated Agent box below)

- Transaction Licensee (Broker and Licensee(s) provide real estate services but do not represent Tenant)

## LANDLORD'S RELATIONSHIP WITH PA LICENSED BROKER

- No Business Relationship (Landlord is not represented by a broker)

<table>
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<tr>
<th>Broker (Company)</th>
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</tbody>
</table>

Broker is (check only one):
- Landlord Agent (Broker represents Landlord only)
- Dual Agent (See Dual and/or Designated Agent box below)

- Transaction Licensee (Broker and Licensee(s) provide real estate services but do not represent Landlord)

## DUAL AND/OR DESIGNATED AGENCY

A Broker is a Dual Agent when a Broker represents both Tenant and Landlord in the same transaction. A Licensee is a Dual Agent when a Licensee represents Tenant and Landlord in the same transaction. All of Broker's licensees are also Dual Agents UNLESS there are separate Designated Agents for Tenant and Landlord. If the same Licensee is designated for Tenant and Landlord, the Licensee is a Dual Agent.

By signing this Agreement, Tenant and Landlord each acknowledge having been previously informed of, and consented to, dual agency, if applicable.
1. LEASE DATE AND RESPONSIBILITIES
For and in consideration of the rents, covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Landlord leases to Tenant, and Tenant accepts from Landlord, the Premises described above, and any riders, supplements, addenda and exhibits which are made a part of this Lease, dated 02/24/2017.

2. DEFINITIONS
(A) "Additional Rent" shall mean all sums, charges or amounts of whatever nature (other than Base Rent) to be paid by Tenant to Landlord in accordance with the provisions of this Lease and any addenda including, but not limited to, taxes, water, electricity, security deposits, insurance premiums, repairs, and security services, whether or not such sums, charges or amounts are referred to as "Additional Rent." Landlord shall have the same remedies for default in the payment for Additional Rent as for default in the payment of Base Rent.

(B) "Base Rent" shall mean the minimum rent due as set forth in Paragraph 5.

(C) "Common Area Maintenance" (CAM) shall mean Tenant’s pro rata share of the cost to maintain, clean or repair the common areas and amenities of the Premises as set forth in Paragraph 7.

(D) "Improvements" shall mean any equipment, device, capital improvement or replacement to Landlord’s Premises (i) required to achieve economies in operating, maintaining and/or repairing the Premises; (ii) required by any governmental authority, board or agency having jurisdiction over Landlord’s Premises; or (iii) recommended or required by any insurance carrier in connection with provisions of insurance for Landlord’s Premises.

(E) "Landlord" shall mean the party named above as Landlord and any subsequent person(s) who succeeds to the rights of Landlord herein, each of whom shall have the same rights and remedies as he would have possessed had he originally signed this Lease as Landlord.

(F) "Operating Expenses" shall mean all expenses incurred in operating, maintaining, managing and repairing the building, land and all improvements, fixtures and equipment located thereon, including but not limited to sidewalks, parking areas, driveways and landscaping as set forth in Paragraph 7.

(G) "Real Property Taxes" shall mean all ad valorem, real property, personal property or similar taxes, charges and assessments, whether general, special or otherwise, which are levied, assessed or imposed during the Term by any governmental authority upon Landlord’s Premises or any other property of Landlord, real or personal, located on Landlord’s Premises, and any increase or decrease thereof. "Real Property Taxes" shall also include any tax that shall be levied or assessed in addition to, or in lieu of, such real or personal property taxes. It shall not include federal, state or local income taxes, any franchise, estate or inheritance tax, or any real estate transfer, documentary or intangible tax imposed by reason of sale or financing on Landlord’s Premises.

(H) "Rent" shall mean the total sums due and payable to Landlord.

(I) "Tenant" shall mean the party named above as Tenant, as well as its or their respective heirs, personal representatives, successors and assigns, each of which shall be under the same obligations, liabilities and disabilities, and have only such rights, privileges and powers as he would have possessed had he originally signed this Lease as Tenant.

3. STARTING AND ENDING DATES OF LEASE (also called "Term")
(A) The Commencement Date shall be (select one):

- [ ] Substantial Completion: N/A
- [ ] Occupancy Date: N/A
- [x] Signing Date: N/A
- [ ] Rent Commencement Date: N/A
- [ ] Other: N/A

Tenant’s failure to take possession of the Premises for any reason when possession is delivered by Landlord shall not delay the Commencement Date.

(B) The Term of this Lease shall begin on the Commencement Date and expire on the last day of the 60th month ("Expiration Date"). This date in subsequent years shall operate as the renewal date, if any.

(C) As used in this Lease, Substantial Completion shall mean that Tenant may utilize the Premises for Tenant’s proposed use without material interference with Tenant’s business activities.

4. RENEWAL TERM
(A) This Lease will renew as indicated below unless proper notice to terminate is given. In the event that the Lease is not renewed for any reason whatsoever, and Tenant does not vacate the Premises as set forth herein, Tenant will be considered a “hold over Tenant” and the provisions of Paragraph 32 shall apply.

(B) [ ] Option 1 - Automatic Termination

This Lease will automatically terminate at the expiration of the Term unless Landlord and Tenant enter into a written extension or renewal of the Lease prior to the last day of the Term ("Renewal Term").

(C) [ ] Option 2 - Automatic Renewal

1. If neither party terminates this Lease as set forth herein, this Lease will automatically renew for [ ] N/A additional month(s) (3 if not specified) OR [ ] N/A additional year(s) (1 if not specified) ("Renewal Term").

2. It is hereby mutually agreed that either party may terminate this Lease by providing written notice to the other party no less than N/A days (90 if not specified) prior to the expiration of the Term or any subsequent Renewal Term.

Tenant Initials: [ ] [ ] CL Page 2 of 13 Landlord Initials: [ ] [ ]
(D) ☑ Option 3 - Tenant's Option to Renew

Landlord and Tenant agree that Tenant has the right to exercise _2_ option(s) (1 if not specified) to extend the Lease, provided Tenant is not in continuing, material default or breach at the time the option is exercised. Each option shall be for a term identical to the Term identified in Paragraph 3 ("Renewal Term"). Tenant shall provide Landlord no less than _60_ days (60 if not specified) written notice of Tenant’s intention to exercise its option to renew the Lease.

(E) If notice of termination is given later than required, Rent is due for the entirety of the Renewal Term.

(F) Any renewal will be according to the terms of this Lease unless otherwise modified in a writing signed by Landlord and Tenant.

(G) At the Expiration Date or sooner termination of this Lease, Tenant shall peaceably surrender to Landlord possession of the Premises in the same condition as it is hereby required to be kept by Tenant, excepting reasonable wear and tear and changes in condition due to fire or other casualty.

1. Tenant may remove its trade fixtures from the Premises and shall repair any damage to the Premises caused thereby. Tenant may not remove any alterations, additions or improvements other than trade fixtures. Such alterations, additions or improvements shall become the property of Landlord as of the Expiration Date or sooner termination of this Lease. Lighting fixtures, heating and air conditioning equipment, plumbing and electrical systems and fixtures, and floor coverings shall not be deemed to be trade fixtures whether installed by Tenant or by anyone else, and shall not be removed from the Premises by or on behalf of Tenant at any time.

2. Landlord may, in Landlord’s sole discretion, conduct an inspection of the Premises. Landlord shall provide written notice to Tenant of the date of the inspection so that representatives of both Landlord and Tenant may attend. Following such inspection, Landlord shall provide Tenant with written notice within _10_ days (10 if not specified) of such inspection setting forth those conditions for which Tenant is responsible to repair or restore under the Lease.

3. Tenant may, at Tenant’s election, either (i) make such repairs or restorations; or (ii) notify Landlord that Tenant desires Landlord to perform such repairs and restorations at Landlord’s actual, reasonable costs. If Tenant elects not to perform the repairs and restorations, Tenant shall pay Landlord’s actual, reasonable costs promptly after receiving notice that Landlord has completed the same. Such notice shall include an invoice or other record setting forth, in reasonable detail, Landlord’s actual costs of repairs and restorations.

5. BASE RENT

DOH REDACTED

6. SECURITY DEPOSIT

(A) A security deposit of $6,000.00 will be paid in U.S. Dollars to Landlord or Landlord’s representative, and held in escrow by Landlord or Landlord’s representative as named here: N/A

(B) The Security Deposit will be held for the performance by Tenant of all of its covenants, obligations and agreements set forth in this Lease, but in no event shall Landlord be obligated to apply the Security Deposit to Rent or other charges in arrears, or damages for Tenant’s default hereunder; however, Landlord may so apply the Security Deposit at its option. Landlord’s right to possess the Premises for Tenant’s default, or other such reason, shall not be affected by the fact that Landlord holds the Security Deposit.

(C) The Security Deposit, if not so applied by Landlord, shall be returned to Tenant within _60_ (60 if not specified) days after this lease terminates, provided that Tenant has vacated the Premises and delivered the same to Landlord as herein provided.

(D) In the event of any transfer of Landlord’s interests in the Premises, Landlord shall have the right to transfer its interest in the Security Deposit following proper notice to Tenant, whereupon Landlord shall be released of all liability with respect to such a Security Deposit, and Tenant shall look solely to such transferee for the return of the same in accordance with the terms of the Lease.
7. ADDITIONAL RENT
   (A) As Additional Rent and/or costs, Tenant agrees to timely pay all or Tenant’s proportionate share of the following:
      ☑ Common Area Maintenance (CAM)
      ☑ Improvements
      ☑ Real Property Taxes
      ☑ Operating Expenses
   (B) Tenant’s pro rata share of CAM expenses are N/A ___ % (100 if not specified) of the total cost. Upon demand for payment, Landlord is required to submit to Tenant an accounting statement which documents the actual cost of the CAM expenses. Tenant is hereby notified that CAM expenses may fluctuate and are subject to modification based upon actual charges. 
   (C) Unless otherwise indicated, Tenant agrees to pay all Operating Expenses, including but not limited to outdoor maintenance, utilities, service contracts, insurance, structural maintenance and repairs, and government assessments. Those Operating Expenses included in CAM will be paid by Tenant according to Paragraph 7(B), above.
      ☑ Operating Expense Addendum to Commercial Lease (PAR Form OXA) is attached and made part of this Lease.
8. PAYMENT SCHEDULE

9.
   (A) All signs are subject to approval of Landlord, in its sole discretion. In addition, all signs must be in accordance and comply with, and if needed, be approved by City of Pittsburgh (municipality) and any other necessary governmental authority, prior to installation. Upon request of Landlord, Tenant shall provide Landlord with a scaled drawing of the sign, including colors, for Landlord’s approval.
   (B) Tenant shall remove all signs upon the expiration or earlier termination of the Lease, and such removal shall be at Tenant’s sole cost and expense. Tenant shall repair any damage and fill any holes caused by such removal. In the event of a breach of this Lease, and in addition to all other remedies given to Landlord, Landlord shall have the privilege and right to remove any and all signs and restore the Premises to its prior condition, and Tenant shall be liable for any and all expenses so incurred by Landlord.
10. LANDLORD’S REPRESENTATIONS
   Landlord warrants and represents that:
   (A) As of the date of execution and during the term of this Lease, and any extensions or renewals thereto, Landlord has the full power and authority to execute and deliver this Lease, and to perform its obligations under this Lease.
   (B) As of the date of execution and during the term of this Lease, and any extensions or renewals thereto, none of the terms, conditions or obligations of this Lease shall be precluded by or cause a breach of any other agreement, mortgage, contract or other instrument or document to which Landlord is a party.
   (C) Upon paying Rent and performing its obligations as required under this Lease, Tenant shall be permitted to peaceably and quietly have, hold and enjoy the Premises.
   (D) As of the Occupancy/Commencement Date, all exterior portions of the Premises, including any paved areas, parking areas and sidewalks, shall be in satisfactory condition and repair, and usable for the purposes intended.
11. ACCEPTANCE; POSSESSION
   (A) By taking possession of the Premises, Tenant affirms and represents that the Premises is in good and tenable condition, meets Tenant’s needs for the use set forth in Paragraph 13, and that all work that was to be performed by Landlord pursuant to the terms of this Lease, if any, has been substantially completed. By taking possession, Tenant is accepting the Premises in “as is” condition.
   (B) If Landlord is unable to give Tenant possession of the Premises on the Occupancy Date by reason of the holding over of a previous occupant or due to any cause beyond Landlord’s control, Landlord shall not be liable in damages to Tenant. During the period that Landlord is unable to give possession, all rights and remedies of both parties, including Tenant’s obligation to pay Rent, shall be suspended.
   (C) If Tenant cannot take possession within 120 days (60 if not specified) of the Occupancy Date, Tenant’s exclusive rights are to:
      1. Change the Occupancy Date of the Lease to the day when Premises is available. Tenant will not owe or be charged Base Rent until Property is available; OR
      2. Terminate the Lease and have all money already paid as Rent, Additional Rent or Security Deposit returned, with no further liability on the part of Landlord or Tenant.
12. GOVERNMENTAL REGULATIONS
   Tenant shall, in the use and occupancy of the Premises, comply with all applicable laws, ordinances, notices and regulations of all governmental and municipal authorities, and with the regulations of the insurers of the property. Tenant shall keep in force at all times all licenses, consents and permits necessary for the lawful conduct of Tenant’s business at the Premises. Nothing in the foregoing shall require Tenant to perform any work or make any improvements or repairs that Landlord is required to make pursuant to other provisions of this Lease.

Tenant Initials: [Signature]

CL Page 4 of 13

Landlord Initials: [Signature]
13. TENANT'S USE AND COVENANTS

(A) Tenant shall use the Premises only for Medical Marijuana Dispensary and office space.

and in accordance with the use permitted under all applicable Federal, State and municipal laws, ordinances and regulations. In the event Tenant should elect to change the use of the Premises from what is identified herein, Tenant shall be permitted to do so, subject to Landlord's prior written consent.

(B) Tenant shall not bring into, use or permit to be kept on the Premises any dangerous, explosive, toxic, hazardous or obnoxious substance. Tenant will not maintain any hazardous substance or pollutant or contaminate as defined in 42 U.S.C. § 9601, et seq., or any hazardous substance, material and/or waste, including solid, liquid or gaseous materials, which are defined to be hazardous under any applicable federal, state or local laws, regulations or administrative or judicial decisions. Tenant shall indemnify and hold harmless Landlord from any and all liability for costs of remediation resulting from Tenant's violation of this Paragraph. This indemnification is intended to survive the expiration or other termination of this Lease.

(C) Tenant agrees that it will comply with all laws, ordinances, codes, orders, rules and/or regulations, requirements of any governmental body, agency, department, board or similar organization that has jurisdiction over the Premises, arising out of or affecting Tenant's use and occupancy of the Premises or the business conducted therein.

(D) Tenant covenants and agrees that Tenant, its employees, agents, invitees, licensees and other visitors, as permitted under this Lease, shall observe faithfully and comply strictly with such reasonable Rules and Regulations as Landlord or Landlord's agents may, after written notice to Tenant, from time-to-time adopt with respect to the building, property or Premises.

☐ Rules and Regulations for use of the property and common areas are attached and made part of this Lease.

(E) Tenant may not do or permit anything to be done in or about the Premises that will in any way obstruct or interfere with the rights of other tenants on the property, or injure or annoy them; use or allow the Premises to be used for any improper, illegal or objectionable purpose; cause, maintain, or permit any nuisances in, on or about the Premises; or commit or allow to be committed any waste in, on or about the Premises.

14. ASSIGNMENT AND SUBLETTING

(A) Tenant shall not assign, mortgage, pledge or otherwise transfer or encumber this Lease or the Premises, nor subject or permit any part of the Premises to be occupied by any other person, firm or corporation other than Tenant or its employees, invitees, agents and servants, without Landlord's prior written approval, which approval shall be in Landlord's sole but reasonable discretion.

(B) In the event Landlord approves Tenant's request for assignment and/or subletting, each assignee or sublessee of Tenant's interest shall assume and be deemed to have assumed this Lease, and shall be and remain liable jointly and severally with Tenant for all payments, and for the due performance of all terms, covenants, conditions and provisions contained in this Lease.

(C) No assignment or subletting shall be binding upon Landlord unless the assignee or subtenant shall deliver to Landlord an instrument in recordable form containing a covenant of assumption by the assignee or sublessee, but the failure or refusal of an assignee or sublessee to execute the same shall not release the assignee or sublessee from its liability as set forth herein.

15. TENANT'S ALTERATIONS AND REPAIRS

(A) Tenant shall not, without first obtaining Landlord's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) on each occasion, make any improvements or repairs to the Premises. Tenant may, without the consent of Landlord, make minor improvements or repairs to the interior of the Premises provided that:

1. Each repair costs no more than $1,000.00 if not specified,

2. They do not impact the structural strength, integrity, operation or value of the building, AND

3. Tenant shall take all steps required or permitted by law to avoid the imposition of any mechanics' lien upon the property, improvements, or land.

(B) Improvements consisting of equipment, devices or improvements required by a governmental authority, board or agency in connection with Tenant's Permitted Use shall be at the sole cost and expense of Tenant, and Tenant shall remove same at the termination of the Lease.

(C) All other alterations, improvements and additions, except for minor alterations and improvements, become part of the Premises and are the property of Landlord without payment therefor by Landlord, and shall be surrendered to Landlord at the end of the Term or any Renewal Term.

(D) If, prior to the end of the Term or Renewal Term, Tenant provides written notice to Landlord that Tenant intends to remove all or any such alterations and improvements made by Tenant during its occupancy, or the parts thereof specified by Landlord, from the Premises, Tenant shall repair all damage caused by installation and removal.

(E) All work shall be performed in a workmanlike manner.

16. MECHANICS' LIENS

(A) Should any mechanics' lien or other lien be filed against the property or any part thereof by reason of construction, alteration, addition, improvement or installation performed by or on behalf of Tenant, or is a result of Tenant's acts or omissions, Tenant shall, within 30 days (30 if not specified) following receipt of notice of the existence of such lien, cause the same to be cancelled and discharged of record.

(B) If Tenant has not paid or desires to contest any claim of lien, Tenant agrees to indemnify and hold Landlord harmless from, and defend Landlord against any liability, loss, damage, costs and all related expenses (including reasonable attorneys' fees and costs) arising out of Tenant's non-payment or contest of such liens. Tenant shall also execute such indemnity agreements as would be
necessary to induce a title company to insure over any such lien. Tenant shall not be obligated to update Landlord’s title insurance policy at the time of the contest.

(C) If final judgment establishing the validity or existence of any contested lien is entered, Tenant shall pay and satisfy the same at once.

17. LANDLORD’S RIGHT TO ACCESS

In addition to any other rights reserved to Landlord under this Lease, Landlord shall have the following rights to access the Premises.

(A) With Landlord’s prior consent, Tenant shall have the right to install various locks on and within the Premises. Tenant shall furnish Landlord with copies of any such keys or combinations to provide access only in the event of an emergency or otherwise set forth in this Lease. Tenant shall have a continuing obligation for the duration of the Lease, and any extensions thereto, to provide Landlord with any keys and/or passcodes necessary to enter the Premises.

(B) Landlord and its agents, contractors and invitees shall have the right to enter the Premises at reasonable times and after reasonable notice (i) for inspection, (ii) to supply any service that Landlord is obligated to provide under the terms and conditions of this Lease, (iii) to show the Premises to prospective buyers, lenders or tenants, (iv) to affix and display “For Sale” or “For Rent” signs; and (v) to make repairs, alterations, additions or improvements to the Premises or other portion of Landlord’s Property, which the examination or exhibition in making of any repairs to the Premises shall not unreasonably interfere with Tenant’s use.

(C) When possible, Landlord will give Tenant 24 hours (24 if not specified) notice of the date, time and reason for the visit. In emergencies, Landlord may enter the Premises without notice. If Tenant is not present, Landlord will notify Tenant who was there and for what purpose within N/A hours (24 if not specified) of the visit.

(D) Landlord shall not be liable in any manner to Tenant by reason of such entry or performance of repairs, alterations and/or additions to the Premises, and the obligations of Tenant hereunder shall not be affected, absent grossly negligent or intentional actions or failures to act attributable to Landlord, or any person or entity engaged by or on behalf of Landlord to perform such work. Landlord agrees (except in the case of Tenant’s default hereunder) that all repairs, alterations and additions (excluding only emergency work or work that must, in Landlord’s judgment, be performed on an urgent basis) by Landlord shall be performed in a reasonable manner at reasonable times, subject to the limitations contained herein.

(E) Following notice from either Party of intention to terminate or not renew this Lease, or failure of Tenant to exercise its option to renew this Lease, Landlord may commence efforts to market the Premises which may include placing a “For Rent” sign on or near the Premises. All of said signs shall be placed upon such part of the Premises as Landlord may elect, and may contain such information as Landlord shall require. Landlord or Landlord’s representative may use lock boxes, and take pictures and video of the Premises. Prospective purchasers or tenants may inspect the Premises at such times as the parties may agree, so long as they are accompanied by Landlord or Landlord’s representative.

18. INDEMNIFICATION

(A) Beginning on the Commencement Date and continuing throughout Tenant’s possession of the Premises, Tenant shall indemnify Landlord, its partners, directors, officers, agents and employees from and against any and all losses, whether or not based on negligence, costs (including reasonable attorneys’ fees), claims, damages, liabilities, suits, actions and causes of action, whether legal or equitable, sustained or arising by reason of Tenant’s default in any of its obligations under this Lease, or of the fault or neglect of Tenant or of the failure of Tenant or any of its officers, agents, employees or invitees, to fulfill any duty toward the public or to Landlord under this Lease, or to any person or persons whomever, that Tenant, by reason of its occupancy or use of the Premises may owe.

(B) Beginning on the Commencement Date and continuing throughout Tenant’s possession of the Premises, Landlord shall indemnify, defend and hold Tenant harmless from and against any and all third-party claims, suits and causes of action, whether legal or equitable, and costs (including reasonable attorneys’ fees) sustained or arising by reason of the intentional or grossly negligent acts or omissions of Landlord, its employees, agents, licensees or contractors.

(C) This Paragraph shall survive the expiration or earlier termination of this Lease with respect to any occurrence that occurs prior to the expiration or such earlier termination of the Term or exercised Renewal Term.

19. INSURANCE

(A) Tenant, at Tenant’s expense, shall obtain comprehensive general liability insurance coverage against any and all claims for injuries to persons or property occurring on the Premises by reason of Tenant’s use, occupancy or operation in and on the Premises. No later than the Signing Date, Tenant will provide Landlord with written documentation of said insurance coverage showing that the Premises will be insured as of the Commencement Date set forth in Paragraph 3(A). Tenant shall maintain insurance coverage throughout the Term of this Lease, and any Renewal Term(s).

(B) Such insurance shall include Landlord as an additional insured and shall require at least 30 days (30 if not specified) advance written notice of cancellation or nonrenewal to be given to Landlord. Such insurance shall, at all times, provide coverage in an amount not less than $1,000,000.00 ($1,000,000.00 if not specified) in the aggregate. The policy or policies of Tenant’s liability insurance shall provide that a covered loss will be paid notwithstanding any act or negligence of Landlord or Tenant, and for payment of claims on an occurrence basis.

(C) Tenant agrees to keep its property located on the Premises insured, including all floor and wall coverings, and Tenant’s trade fixtures, equipment and other personal property from time-to-time situated on the Premises. The amount of coverage shall be such as determined by Tenant to adequately compensate Tenant for its loss, and if the proceeds of such insurance are not used for repair
or replacement of the property so insured, or if this Lease is terminated following a casualty, the proceeds applicable to the leasehold improvements shall be paid to Landlord and the proceeds applicable to Tenant's personal property shall be paid to Tenant.

(D) Landlord will notify Tenant of any recommendations made by Landlord's insurance carrier, as well as any codes or standards recommended by the National Fire Protection Association ("NFPA") which, in Landlord's sole but reasonable opinion, are relevant to the terms of the lease, and Tenant shall comply with any and all such reasonable recommendations. Landlord acknowledges that no NFPA codes or standards are currently recommended and Lordlord is not aware of any imminent recommendations, unless set forth here: N/A

N/A

N/A

(E) Tenant will comply with all reasonable recommendations made by Landlord's insurance carrier, Tenant's insurance carrier, or with NFPA codes or standards that have been reasonably recommended. Tenant will not do, nor permit anything to be done, or neglect to do anything, or prevent anything to be brought onto the Premises that will (i) cause an increase in the premium that may be charged during the Term of this Lease on any fire or extended coverage insurance carried on the structure, or (ii) cause any increase in the premiums that may be charged during the Term of this Lease on any fire and/or extended coverage insurance carried on the structure and exterior of the property. If, by any reason of any act or omission of Tenant, the fire and extended coverage insurance premiums are increased, Tenant shall pay, as Additional Rent hereunder, the amount by which the premiums are increased. Landlord will notify Tenant of any NFPA codes or standards that are recommended, and of any notices it received concerning changes in rates.

20. DESTRUCTION OR DAMAGE

(A) If, during the Term of this Lease or any extension thereto, the Premises is damaged by fire or any other casualty, including, without limitation, natural disaster, and not occurring through the intentional or negligent acts or omissions of Tenant or those claiming under Tenant, or their employees respectively, Tenant shall promptly notify Landlord and Landlord shall repair the damaged portions of the Premises, including any improvements or alterations made by Landlord (but not any of Tenant's property therein or improvements or alterations made by Tenant). If, however, in Landlord's reasonable judgment, the damage would require more than 120 days (120 if not specified) of work to repair, or if the insurance proceeds (excluding rent insurance) that Landlord anticipates receiving must be applied to repay any mortgages encumbering the improvements, or are otherwise inadequate to pay the costs of such repair, Landlord shall have the right to terminate this Lease by so notifying Tenant. Such notice shall specify a termination date not less than 30 days (30 if not specified) after its receipt by Tenant.

(B) If the damage to the Premises is only partial and such that the Premises can be restored to its former condition within a reasonable time, Landlord may enter and repair, and this Lease shall not be affected, except that Base Rent shall be apportioned and suspended while such repairs are being made. If the Premises is so slightly damaged by fire or other casualty as mentioned above so as not to render the Premises unfit for occupancy, Landlord agrees the same shall be promptly repaired.

(C) Landlord shall not be liable for any damage, compensation or claim by reason of inconvenience or annoyance from the necessity of repairing any portion of the Premises, or improvements thereon, the interruption and the use of the Premises, or the termination of this Lease by reason of the destruction of the Premises.

21. FORCE MAJEURE

If either Party should be delayed or hindered, or prevented from performing any of the acts required in this Lease by reason of war, fire or other casualty, acts of terrorism, natural or environmental disasters, strike, walk-out, labor trouble, shortage of materials or equipment, or the inability to procure the same, failure of power, restrictive government laws or regulations, riot, insurrection, declaration of martial law, or other causes beyond the reasonable control of the party delayed, the performance of such act shall be excused for the period of such delay. This Paragraph shall not excuse Tenant, after the Commencement Date, from a timely payment of Rent or any other amounts required under this Lease.

22. CONDEMNATION/EMINENT DOMAIN

(A) In an instance of total condemnation, where all of the property is taken through an exercise of the power of eminent domain, this Lease shall terminate on the date when possession of the property was acquired by the condemning authority. The right to terminate this Lease under this Paragraph may be exercised by either party so notifying the other party in writing not later than 30 days (30 if not specified) prior to such date.

(B) In an instance of partial condemnation, Landlord shall have the right to terminate this Lease on the date when the condemned portion of the Premises is to be delivered to the condemning authority and neither party shall have any further responsibility or liability under this Lease or to the other where only part of the Premises is taken and:

1. The condemnation award is insufficient to restore the remaining portion of the Premises, or if such award must be applied to repay any mortgages encumbering improvements on the property, OR

2. In addition to a portion of the Premises, a portion of the improvements or land is taken and Landlord deems it commercially unreasonable to continue leasing all or a portion of the remaining space and the improvements.

(C) In an instance of partial condemnation, Tenant shall have the right to terminate this Lease on the date when the condemned portion of the Premises is to be delivered to the condemning authority and neither party shall have any further responsibility or liability under this Lease or to the other where a substantial portion of the Premises is so taken and it is commercially impossible for Tenant to continue its business within the Premises.

Tenant Initials: [Signature]

CL Page 7 of 13

Landlord Initials: [Signature]
(D) If this Lease is not terminated after a partial condemnation, then after the date when the condemned portion of the Premises is delivered to the condemning authority, the Rent shall be reduced in the proportion that the condemned area bears to the entire area of the Premises.

(E) Tenant shall have the right to claim against the condemning authority only for removal and moving expenses and business relocation damages that may be separately payable to Tenant in general under Pennsylvania law, provided such payment does not reduce the award otherwise payable to Landlord. Subject to the foregoing, Tenant hereby waives all claims against Landlord with respect to a condemnation, and hereby assigns to Landlord all claims against the condemning authority including, without limitation, all claims for leasehold damages and diminution in value of Tenant's leasehold estate.

23. SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT; ESTOPPEL CERTIFICATES

(A) This Lease shall be subject and subordinate at all times to the lien of any mortgages and other encumbrances now or hereafter placed upon the Premises or property. Tenant shall execute and deliver to Landlord upon demand an instrument acceptable to Landlord subordinating this Lease to the lien of any present or future mortgage or encumbrance as may be requested by any mortgagee of the property. At the request of any holder of any such mortgage, or the purchase of such mortgage at any foreclosure sale, or at any sale under a power of sale contained in such mortgage, Tenant shall attend to and recognize such mortgagee or purchaser as Landlord under this Lease for the balance of the Term, including any renewal or extensions hereof subject to all the terms of this Lease. Provided that Tenant is not in default of this Lease, its tenancy shall not be disturbed by Landlord, but shall continue in full force and effect. Landlord agrees to use reasonable efforts, but shall not be obligated to obtain from any future mortgagee a non-disturbance agreement for the benefit of Tenant on a form customarily issued by such mortgagee.

(B) Tenant shall, from time-to-time, execute and deliver within ________ days (5 if not specified) following receipt of a request from Landlord or Landlord's mortgagee, grantee or lessor, a recordable instrument evidencing such subordination and Tenant's agreement to attend to the holder of such prior right. Notwithstanding the foregoing, any mortgagee may, at any time, subordinate its mortgage to this Lease, without Tenant's consent, but with notice in writing to Tenant, whereupon this Lease shall be deemed prior to such mortgage without regard to their respective dates. The term "mortgage" includes mortgages, deeds of trust, or similar instruments, and all modifications, consolidations, extensions, renewals or replacements hereof, or substitutes therefor.

(C) On or before the date Tenant first takes possession of the Premises, Tenant agrees to execute and cause all guarantors to execute, a tenant acceptance certificate and an estoppel letter in such form as Landlord may reasonably request.

24. DEFAULT

(A) Any of the following events shall constitute a default under this Lease by Tenant:
   1. Failure by Tenant to pay, when due, any Rent or any other sum payable by Tenant under this Lease within ________ days (10 if not specified) after written notice by Landlord to Tenant that such sum is past due.
   2. Tenant vacates the Premises before the proper termination of this Lease, including any Renewal Term.
   3. Tenant fails to observe or perform any of Tenant's other obligations as set forth in this Lease.
   4. Tenant commits an act of bankruptcy or files a petition, or commences any proceedings under any bankruptcy or insolvency law.
   5. A petition is filed or a proceeding is commenced against Tenant under any bankruptcy or insolvency law, and is not dismissed within sixty (60) days.
   6. Tenant is adjudicated bankrupt.
   7. A receiver or other official is appointed for Tenant, or for a substantial part of Tenant's assets, or for Tenant's interest in this Lease.
   8. Any attachment or execution is filed or levied against a substantial part of Tenant's assets or Tenant's interest in this Lease, or any of Tenant's property on the Premises that is not insured.

(B) If Landlord fails to observe or perform any of Landlord's obligations as set forth in this Lease and Tenant has given Landlord not less than ________ days (30 if not specified) written notice of the default, or if the default is of a character so that more than ________ days (30 if not specified) to cure are required and Landlord fails to use its best efforts to cure the default after receiving notice from Tenant, then after such ________ days (30 if not specified) notice, Tenant shall have the right, but not the obligation, to cure the default on behalf of Landlord, at the expense of Landlord, and may seek reimbursement from Landlord by means of any available legal process.

25. NOTICE OF DEFAULT

(A) Notwithstanding anything to the contrary in this Lease, and except in connection with the provisions of Paragraph 24(A)(2), (4), (5), (6), (7), or (8) for which no notice or cure period shall be given or permitted, if Tenant has failed or refused to perform, or has violated any of the non-monetary terms, covenants, conditions or agreements contained in this Lease, Landlord shall notify Tenant in writing.

(B) Upon receiving such Notice of Default, Tenant shall correct the matter(s) complained of within ________ days (30 if not specified) after receipt of written notice, or if more than such ________ days (30 if not specified) are required to correct with reasonable diligence the matter(s) complained of in such notice, Tenant shall begin to correct them within ________ days (30 if not specified) and pursue such corrective action with reasonable diligence thereafter, providing Landlord with timely written confirmation thereof. Tenant shall diligently follow through with such correction(s) to conclusion.

Tenant Initials: [Signature]

Landlord Initials: [Signature]
(C) In the event the default is a failure to pay Rent or other monetary obligations contained in this Lease, Landlord shall provide written notice within $ busines days (5 if not specified) of a right to cure, and Tenant's right to cure shall exist no more than 2 times (2 if not specified) in any 12-month (12 if not specified) period, and such payment shall include the Late Charge(s).

26. WAIVER OF NOTICE
Tenant hereby waives all rights to legal notice, whether provided by statute or common law, and agrees that prior written notice delivered as provided herein with respect to proceedings to recover possession in the event of default, at any time shall be sufficient.

27. RIGHT TO CURE
If Tenant shall default in performing any of its obligations under this Lease, Landlord may (but shall not be obligated), in addition to Landlord's other rights and remedies, and without waiver of such default, cure such default on behalf of Tenant, thereby entering and possessing the Premises if deemed necessary by Landlord, provided that Landlord shall have given Tenant notice of such default and Tenant shall have failed within 30 days (30 if not specified) following receipt of said notice to cure or diligently pursue the cure of said default (which notice and opportunity to cure shall not be required in case of actual emergency). Tenant, upon demand of Landlord, shall reimburse Landlord for all actual costs (including reasonable attorneys' fees) incurred by Landlord with respect to such default and, if Landlord so elects, Landlord's efforts to cure the same.

28. ALTERNATIVE DISPUTE RESOLUTION
(A) Landlord and Tenant agree to cooperate by supporting and fully participating in all efforts to resolve disputes, complaints, claims and other problems that arise or are related to this Lease through mediation and, if not successfully resolved, then through binding arbitration in accordance with the principles of the Uniform Arbitration Act, 42 Pa.C.S.A. §7301, et seq., and other related laws of the Commonwealth of Pennsylvania. The parties make the foregoing commitment with full knowledge that by agreeing to submit disputes to binding arbitration, the parties are agreeing not to resort to the courts or the judicial system, and are waiving their rights to do so.

(B) When submitting a dispute to a mediator, the parties shall agree upon one mediator from a list of mediators available through the local court or local Federal district court or through such other agency as the parties may mutually agree. The parties agree to share all expenses of mediation equally.

(C) Should the parties not be able to resolve their dispute through mediation, each party will voluntarily submit to binding arbitration and shall appoint their own arbitrator. These arbitrators shall select a mutual third arbitrator, thus forming an "Arbitration Panel" that will then proceed to schedule the matter for disposition. In the event that the individual arbitrators are unable to agree on a neutral arbitrator, either party shall have the right to petition the local Court of Common Pleas to appoint a neutral arbitrator. In order to initiate the binding arbitration process, either party will submit a written request for arbitration to the other party, within a reasonable time following the unsuccessful mediation of their dispute. If the parties are unable to agree upon a location for arbitration, then the arbitration will be held at the local courthouse.

29. LANDLORD'S REMEDIES
(A) CONFESSION OF JUDGMENT/EJECTMENT - IN THE EVENT THAT, AND WHEN THIS LEASE SHALL BE DETERMINED BY TERM, COVENANT, LIMITATION OR CONDITION BROKEN AS AFORESAID, DURING THE LEASE TERM, AND ALSO WHEN AND AS SOON AS THE LEASE TERM HEREBY CREATED SHALL HAVE EXPIRED, IT SHALL BE LAWFUL FOR ANY ATTORNEY, AS ATTORNEY FOR LANDLORD, TO CONFESS JUDGMENT AND EJECTMENT IN ANY COMPETENT COURT AGAINST TENANT AND ALL PERSONS CLAIMING UNDER TENANT FOR THE RECOVERY OF LANDLORD OF POSSESSION OF THE PREMISES, WITHOUT ANY LIABILITY ON THE PART OF THE SAID ATTORNEY, FOR WHICH THIS LEASE SHALL BE A SUFFICIENT WARRANT. WHEREUPON, IF LANDLORD SO DESIRES, A Writ OF POSSESSION WITH CLAUSES FOR COSTS MAY ISSUE FORTHWITH, WITH OR WITHOUT ANY PRIOR WRIT OR PROCEEDING WHATSOEVER. IF FOR ANY REASON AFTER SUCH ACTION HAS BEEN COMMENCED, THE SAME SHALL BE DETERMINED AND THE POSSESSION OF THE PREMISES REMAINS IN OR RESTORES TO TENANT, LANDLORD SHALL HAVE THE RIGHT IN THE EVENT OF ANY SUBSEQUENT DEFAULTS TO CONFESS JUDGMENT IN EJECTMENT AGAINST TENANT IN THE MANNER AND FORM HEREIN AND BEFORE SET FORTH, TO RECOVER POSSESSION OF THE PREMISES FOR SUCH SUBSEQUENT DEFAULT. NO SUCH DETERMINATION OF THIS LEASE NOR RECOVERING POSSESSION OF THE PREMISES SHALL DEPRIVE LANDLORD OF ANY REMEDIES OR ACTION AGAINST TENANT FOR RENT OR FOR DAMAGES DUE OR TO BECOME DUE FOR THE BREACH OF ANY CONDITION OR COVENANT; NOR THE RESORTS TO ANY WAIVER OF THE RIGHT TO INSIST UPON THE FORFEITURE, AND TO OBTAIN POSSESSION IN THE MANNER PROVIDED HEREIN.

(B) AFFIDAVIT REQUIRED - IN ANY ACTION IN EJECTMENT, LANDLORD SHALL FIRST CAUSE TO BE FILED IN SUCH ACTION AN AFFIDAVIT MADE BY IT OR SOMEONE ACTING FOR IT, SETTING FORTH THE FACTS NECESSARY TO AUTHORIZE THE ENTRY OF JUDGMENT OF WHICH FACTS SUCH AFFIDAVIT SHALL BE CONCLUSIVE EVIDENCE; AND IF A TRUE COPY OF THIS LEASE IS FILED IN SUCH ACTION, IT SHALL NOT BE NECESSARY TO FILE THE ORIGINAL AS A WARRANT OF ATTORNEY, ANY RULE OF COURT, CUSTOM OR PRACTICE TO THE CONTRARY NOTWITHSTANDING.

(C) Tenant releases Landlord and to any and all who appear for Landlord, from all procedural errors in said proceedings. Except as set forth above, Tenant expressly waives the benefits of laws, now or hereinafter enforced, exempting any goods on the Premises, or elsewhere from distraint, levy, or sale in any legal proceeding taken by Landlord to enforce any rights under this Lease.
(D) No act or forbearance by Landlord shall be deemed a waiver or election of any right or remedy by Landlord with respect to Tenant’s obligations hereunder, unless and to the extent that Landlord shall execute and deliver to Tenant a written instrument to such effect, and any such written waiver by Landlord shall not constitute a waiver or relinquishment for the future of any obligation of Tenant. Landlord’s acceptance of any payment from Tenant (regardless of any endorsement on any check or writing accompanying such payment) may be applied by Landlord to Tenant’s obligations then due hereunder in any priority as Landlord may elect, and such acceptance by Landlord shall not operate as an accord and satisfaction, or constitute a waiver of any right or remedy of Landlord with respect to Tenant’s obligations hereunder. All remedies provided to Landlord herein shall be cumulative.

30. PAYMENT OF TENANT’S OBLIGATIONS BY LANDLORD

All terms, covenants, agreements and conditions to be performed by Tenant under this Lease shall be performed by Tenant at Tenant’s sole cost and expense. If Tenant fails to pay any sum of money, other than Rent, required to be paid by Tenant under this Lease, or if Tenant fail to perform any other act that it is obligated to perform under this Lease, and if such failure(s) shall continue beyond any grace period or cure period as set forth in this Lease, Landlord may, without waiving or releasing Tenant from any of Tenant’s obligations, make such payment or perform such task or other act on Tenant’s behalf. All sums paid or incurred by Landlord and all incidental costs thereto (including reasonable attorneys’ fees) shall be Tenant’s sole cost and responsibility, and shall be deemed Additional Rent.

31. ABANDONMENT

(A) In the event of termination of this Lease in any manner whatsoever, Tenant shall immediately remove Tenant’s goods and effects, and those of any other person claiming under Tenant or subtenancies assigned to it, and quit and deliver the Premises to Landlord peacefully and quietly.

(B) Goods and effects not removed by Tenant after termination of this Lease, or within N/A hours (72 if not specified) after a termination by reason of Tenant’s default, shall be considered abandoned.

(C) Landlord shall give Tenant notice of right to reclaim abandoned property pursuant to applicable local law, and thereafter dispose of the same as it deems expedient, including in storage and public warehouse or elsewhere at the cost and for the account of Tenant. Tenant shall promptly upon demand reimburse Landlord for any expense incurred by Landlord in connection with storing or disposing of Tenant’s goods and effects, which obligation shall survive the termination or expiration of this Lease.

32. HOLDING OVER

(A) This Lease shall expire absolutely and without notice on the last day of the Term or any renewal thereof. If Tenant, with the prior written consent of Landlord, retains possession of the Premises or any part thereof after the termination of this Lease by expiration of the Term or otherwise, a month-to-month tenancy shall be deemed to exist. Tenant shall continue to pay all Rent, plus ordinary maintenance, taxes, insurance and all other charges due under this Lease. Such holdover tenancy may be terminated by Landlord or Tenant upon 30 days (30 if not specified) written notice by either party to the other party.

(B) If such holding over exists without Landlord’s prior written consent, Tenant shall pay Landlord, as partial compensation for such unlawful retention, an amount calculated on a per diem basis for each day of such continued unlawful retention equal to 150% (150 if not specified) of the Rent for the time Tenant remains in possession. Such payments for unlawful retention shall not limit any rights or remedies of Landlord resulting by reason of the wrongful holding over by Tenant, nor shall such unlawful retention create any right of Tenant to continue in possession of the Premises. All other terms and provisions of this Lease then in effect shall remain in effect.

33. PRESERVATION OF LANDLORD’S ENFORCEMENT RIGHTS

Landlord’s acceptance of Rent or any amount due and owing, or failure to enforce any right under this Lease shall not waive any other rights that Landlord may have hereunder. Any attempt to collect Rent and/or other amounts due and owing by one proceeding shall not waive Landlord’s right to collect the same by any other proceeding.

34. RECORDING

Neither this Lease, nor any assignment of this Lease, shall be recorded by Tenant.

35. TENANT’S JOINT AND SEVERAL LIABILITY

If two or more individuals, corporations, partnerships, or other business associations, or any combination of two or more, shall sign this Lease as Tenant(s), the liability of each such individual, corporation, partnership or other business association to pay Base Rent, pay Additional Rent, and to perform all other obligations hereunder to be performed by Tenant shall be deemed to be joint and several. If Tenant named in this Lease shall be a partnership or other business association, the members of which are, by virtue of statute or general law, subject to personal liability, the liability of each such member shall be joint and several.

36. TRANSFER OF LANDLORD’S INTEREST; LIMITATION TO LIABILITY

(A) Notwithstanding any provision of this Lease to the contrary, in the event of the sale or other transfer of Landlord’s interest in the property, Landlord shall immediately notify Tenant in writing at the address set forth in Paragraph 30. Upon the successful completion of the sale or other transfer of Landlord’s interest in the property, Landlord shall be released and discharged from all covenants, agreements and obligations of Landlord, whether previously accrued or thereafter accruing.

(B) Liability of Landlord under this Lease shall be limited to its interest in Landlord’s property, and any judgment against Landlord shall be satisfied solely out of the proceeds of the sale of its interest in the property, and any judgment so rendered shall not give rise to any right of execution or levy against any of Landlord’s other assets.

(C) Landlord shall have no personal liability to any successor in interest with respect to any of the provisions of this Lease or any obli-
ation arising from this Lease. Tenant shall look solely to the equity of the then-owner of the property for satisfaction of remedies by Tenant in the event of a breach by Landlord of any of its covenants, agreements or obligations hereunder.

(D) In no event shall Landlord be liable to Tenant for consequential or punitive damages for any reason whatsoever.

37. TIME IS OF THE ESSENCE
All times and dates identified for the performance of any obligations of this Lease are of the essence and are binding.

38. CHOICE OF LAW
This Lease shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania.

39. ATTORNEYS’ FEES
If either party institutes legal proceedings against the other to enforce any provision of this Lease, or otherwise with respect to any dispute arising out of this Lease, in any proceeding that is final and unappealable, the losing party shall, within thirty (30) days after receipt of a detailed statement, reimburse the prevailing party for their reasonable attorneys’ fees and legal costs incurred.

40. CONSTRUCTION
(A) In construing this Lease, the terms “Lease,” “agreement” and “Agreement” shall be synonymous; the term “Lease” shall also include all exhibits, addenda and riders hereto. The singular shall be deemed to include the plural, and the plural the singular. All references to any specific party shall be gender neutral, and shall include their respective personal representatives, successors and permitted assigns.

(B) Where the provisions of this Lease refer to the duties and/or responsibilities of Tenant, the term “Tenant” shall be construed, wherever reasonable, to include Tenant’s agents, employees, officers and assigns.

41. HEADINGS
The section and paragraph headings in this Lease are for convenience only and are not intended to indicate all of the matter in the sections that follow them. They shall have no effect whatsoever in determining the rights, obligations or intent of the parties.

42. SUCCESSORS AND ASSIGNS
Subject to the restrictions on transfer, assignment and subletting, the terms, conditions and covenants of this Lease shall be binding upon and shall inure to the benefit of each of the parties, their heirs, personal representatives, successors and/or permitted assigns. When more than one party shall be Tenant under this Lease, or “Tenant” wherever used in this Lease shall be deemed to include all Tenants, jointly and severally.

43. BROKERS
It is expressly understood and agreed between the parties hereto that the herein named Broker(s), their licensees, employees and any officer or partner are acting only as agent for the party that hired them, and no other, and will in no case whatsoever be held liable, either jointly or severally, to either party for the performance of any term, covenant or condition of this Lease, or for any damages that arise from the breach, default or non-performance thereof.

44. LEASE INTERPRETATION; PRIOR REPRESENTATION
(A) The parties acknowledge that each has been represented by legal counsel in negotiating this Lease, or has had the opportunity to be so represented, and that each intends that the provisions of this Lease not be interpreted or construed against either party due to the fact that such party may have been responsible for the drafting of this Lease. The parties acknowledge that in the course of negotiating this Lease, their representatives gradually reached agreement on the terms set forth in this Lease.

(B) The parties acknowledge that none of the prior oral and written agreements between them, and none of the representations on which either of them has relied relating to the subject matter of this Lease, shall have any force or effect whatsoever, except as and to the extent that such agreements and representations have been incorporated into this Lease.

45. SEVERABILITY
If any term or provision of this Lease or the application of any term or provision of this Lease to any person or circumstance is finally judged to be invalid or unenforceable, the remainder of this Lease shall not be affected (including any attempted application of the invalid or unenforceable term or provision to the other person or circumstance). Landlord and Tenant hereby acknowledge and agree that they would have agreed upon each term and provision contained in this Lease irrespective of the fact that one or more term or provision was contrary to the law, or during the Term or Renewal Term or extension thereof are found to be contrary to the law.

46. RIGHTS CUMULATIVE
Unless expressly provided to the contrary in this Lease, each and every one of the rights, remedies and benefits provided by this Lease shall be cumulative and shall not be exclusive of any other such right, remedy or benefit allowed at law or in equity.

47. EXECUTION AND COUNTERPARTS
This Lease may be executed in one or more counterparts, each of which shall be deemed to be an original, and all such counterparts together shall constitute one-in-the-same Lease of the parties. To facilitate execution of this Lease, the parties may initially execute and exchange by telephone, facsimile or email counterparts of the signature pages to be promptly supplemented by exchange of hardcopies.

48. ENTIRE AGREEMENT
This Lease and any attached exhibits and addenda constitute the entire agreement between Landlord and Tenant with respect to Landlord’s Premises, and there are no promises, agreements, conditions or understandings, whether oral, written or digital, between them other than as are herein set forth. Neither this Lease nor any of its provisions may be altered, amended, changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the parties.

49. AUTHORITY
(A) The person(s) executing this Lease on behalf of Landlord do/does hereby represent and warrant that Landlord is a duly authorized
and validly existing [illegible] (nature of entity) under the laws of Pennsylvania (state), that Landlord is authorized to do business in the Commonwealth of Pennsylvania, that Landlord has full rights, power and authority to enter into this Lease, and that each person signing on behalf of Landlord is authorized to do so.

(B) The person(s) executing this Lease on behalf of Tenant do[es] hereby represent and warrant that Tenant is a duly authorized and validly existing Corporation (nature of entity) under the laws of Pennsylvania (state), that Tenant is authorized to do business in the Commonwealth of Pennsylvania, that Tenant has full rights, power and authority to enter into this Lease, and that each person signing on behalf of Tenant is authorized to do so.

50. NOTICES

(A) Notices shall be in writing and shall be deemed properly served three (3) business days after depositing in the United States postal service, as registered or certified mail, return receipt requested, postage prepaid, or upon receipt when sent by overnight express carrier with a request that the addressee sign a receipt evidencing delivery, and addressed as follows, or to any other address furnished in writing by any of the foregoing:

TO TENANT:
TQLA Management Corp.
6877 US 322, Franklin, PA 16323

TO LANDLORD:

(B) Any change of address furnished by either party shall comply with the notice requirements of this Paragraph, and shall include a complete outline of the current notice of addresses to be used for all parties, including electronic mail addresses.

51. SPECIAL CLAUSES

(A) The following are part of this Lease if checked:

☐ Change of Lease Terms Addendum (PAR Form CLT)
☐ Floorplan of Premises
☐ Existing Conditions Exhibit
☐ Operating Expense Addendum

(B) Additional Terms:

For the first two years of lease term, tenant shall have the exclusive right and first option to at any time purchase both 901 and 903 E. Carson St. Pittsburgh, PA 15223. The purchase option shall be executed by a separate agreement of sale, the terms of which shall be mutually agreed upon, with agreement to terms not to be unreasonably withheld, at the tenant's exercising of its option to purchase.

Tenant shall have 120 days from date of lease execution to apply for a medical marijuana dispensary license. During this period tenant shall also apply to the City of Pittsburgh for a zoning approval letter. If during the contingency period, which shall extend to the date upon which the PA Department of Health grants or denies permit applications pursuant to PA 2016 Act 16, Phase 1, tenant is unable to obtain said license or zoning approval, the lease shall become void and neither party shall have any further obligation to the other.

Delivery of possession shall occur 120 days after lease execution, or any additional contingency period, or such earlier date as the permit is granted for dispensary operation pursuant to PA 2016 Act 16.

Tenant will provide a security deposit equal to one month's rent, and first month's rent at the expiration of the contingency period and delivery of possession.

Landlord shall provide a broom clean space with properly functioning sized, and to code heating and air conditioning system, plumbing and sewage system, electrical system, and roof covering in accordance with the attached Existing Conditions Exhibit.

Tenant shall not remove the existing kitchen vent hood installed at 901 E. Carson Street. Tenant may conceal the hood, using traditional framing techniques. Should the Tenant choose to exercise its purchase option the Landlord shall have the right to remove the exhaust hood and blower from the building prior to closing.

Tenant shall obtain insurance on the premises within ten (10) days of delivery of possession. Tenant shall reimburse Landlord for 2/3rds of its insurance expense at 901 E. Carson Street and 100% of its insurance expense at 903 E. Carson St. during the contingency period, to be prorated and reconciled on a monthly basis.

Addendum A, attached hereto, is incorporated as a part of this lease agreement and supersedes and amends all items of this lease.

Tenant Initials: [illegible]  CL Page 12 of 13 Landlord Initials: [illegible]
NOTICE BEFORE SIGNING: If Tenant or Landlord has legal questions, Tenant or Landlord is advised to consult an attorney. Landlord and Tenant have negotiated the terms and conditions of this Lease, including any and all addenda hereto, and have initialed any and all changes made, and identify this Date 02/24/2017 as the “Signing Date” of this Lease.

TENANT/AUTHORIZED SIGNER

Title

DATE

TENANT/AUTHORIZED SIGNER

Title

DATE

TENANT/AUTHORIZED SIGNER

Title

DATE

TENANT/AUTHORIZED SIGNER

Title

DATE

CO-SIGNER

Title

DATE

CO-SIGNER

Title

DATE

LANDLORD/AUTHORIZED SIGNER

DATE 02/24/17

Title

LANDLORD/AUTHORIZED SIGNER

DATE 02/24/17

Title

LANDLORD TRANSFERS LEASE TO A NEW LANDLORD

As part of payment received by Landlord, (current Landlord) now transfers to (new landlord) his heirs and estate, this Lease and the right to receive the Rents and other benefits.

CURRENT LANDLORD

Title

DATE

CURRENT LANDLORD

Title

DATE

NEW LANDLORD

Title

DATE

NEW LANDLORD

Title

DATE
Addendum A

The terms of this Addendum change and prevail over the provisions of the original lease between TQLA Management Corp (Tenant) and Essa Khalil and Hannie Khalil (Landlord) dated February 24, 2017.

13. (A)
ADD:
Tenant shall use the Property for a licensed retail medical marijuana dispensary and office space and all other lawful uses allowed under 2016 ACT 16 of the State of Pennsylvania, and the Rules and Regulations of the Pennsylvania Department of Health, 28 PA.CODE CH.1161, the Municipal Zoning Codes of the City of Pittsburgh, County of Allegheny, and other applicable codes, including that Tenant shall not be allowed to use the Property for cultivation of marijuana or manufacture of marijuana-infused products.

Both Landlord and Tenant shall comply in all material respects with all present and future State laws, City ordinances or regulation, over the Property, concerning the use, occupancy, and condition of the Property and all machinery, equipment and furnishings therein, including, without limitation, the risk compliance with PA 2016 ACT 16, the Medical Marijuana Act and all other laws, ordinances, regulations, rules, orders and directives of any governmental agencies or authorities having jurisdiction over the same and alteration or improvements necessitated by the Permitted Use. Tenant will provide written notice to Landlord within five (5) business days after Tenant receives any notice of statutory or regulatory changes that require compliance by Landlord or Tenant to new codes or regulations from the State of Pennsylvania, any Agencies of the State, and/or the City of Pittsburgh or any other governmental or regulatory authority to comply with any such law, ordinance, rule, or regulation and the Parties will take all steps necessary to have the Property be in full compliance. Tenant will maintain the security of the Property against criminal activity in compliance with the Medical Marijuana Act. In the event that Tenant’s sale or distribution of medical marijuana products at any time becomes impermissible under the Medical Marijuana Act, Tenant will so notify Landlord and will immediately and properly dispose of all products on the Property in any manner permitted or required by law. Tenant will provide to Landlord upon request copies of any public licenses relating to Tenant’s use of the Property. In no event shall Tenant operate any business on the Property without having first provided Landlord with evidence Tenant has obtained all licenses required by any governmental authority necessary to operate such business.

Tenant will comply with all State mandates and will keep Landlord advised of any changes in State mandates. Landlord will allow Tenant, to fully comply to such mandates on Landlord’s behalf with prior written approval by Landlord, such approval shall not be reasonably withheld.

13. (E)
ADD:
Dispensary Description: A medical marijuana dispensary is comparable to a pharmacy, with authority to dispense medical marijuana products, as approved by the PA Dept. of Health including primarily pills, transdermal patches, oils, topicals, suppositories, tinctures. Dispense is defined as the activity of lawfully providing to a patient or caregiver medical marijuana in a suitable container that is appropriately labeled for subsequent administration or use pursuant to a patient certification issued by a practitioner. A dispensary is prohibited from growing or processing any medical marijuana products. The dispensary will have high security and 24/7 video monitoring and alarm systems. It will be staffed at all times by licensed medical professionals, including physician, pharmacist, certified registered nurse practitioner, or physician’s assistant. The dispensary must comply with strict qualifications to receive a PA DOH permit and continue to comply with those qualifications to maintain the permit. 28 PA. CODE CH. 1161
contains further information pertaining to requirements for dispensaries and Tenant will fully comply with all requirements.

15. (A)
Tenant shall not, without first obtaining Landlord’s prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) on each occasion, make any improvements or repairs to the premises. Tenant may, without the consent of landlord, make improvements or repairs to the interior or exterior of the premises, to allow full and complete compliance with 2016 ACT 16 of the State of Pennsylvania, and the Rules and Regulations of the Pennsylvania Department of Health, 28 PA.CODE CH.1161, and all Codes of the City of Pittsburgh pertaining to medical marijuana dispensaries, and all subsequent amendments thereto, provided that:
1. They do not impact the structural strength, integrity, operation or value of the building, AND
2. Tenant shall take all steps required or permitted by law to avoid the imposition of any mechanic’s lien upon the property, improvements, or land.

17. (A)
ADD: Tenant shall not be required to provide Landlord with keys of access to its security rooms or vaults where cannabis products are stored. Such areas shall be under 24-hours surveillance.

(B)
Tenant shall permit Landlord and the authorized representatives of Landlord, upon prior reasonable notice by Landlord (except in the event of an emergency), to enter the Property at any times when accompanied by Tenant for the purpose of (i) inspecting the Property or (ii) making any necessary repairs thereto and performing any work therein; except, however, that prior notice shall not be required in the event of an emergency. Tenant shall also permit any and all representatives of any governmental and/or regulatory authority to enter the Property pursuant to the Marijuana Code.

31. (B)
If Tenant abandons or vacates any portion of the Property or is in default in the payment of any rent, damages or other payments required to be made by this Lease or is in default of any other provision of this Agreement, Landlord may not enter upon the Property, until it first notifies the Pennsylvania Department of Health of its intent to do so and obtains permission to enter the premises. IN NO EVENT, SHALL LANDLORD TAKE POSSESSION OR CONTROL OF ANY CANNABIS PRODUCTS. If Landlord discovers cannabis products remaining on the abandoned premises, Landlord agrees that Landlord must notify the Pennsylvania Department of Health and strictly follow instructions provided by the DOH.

31. (C)
In the event the State of Pennsylvania changes the law, including the Medical Marijuana Act, or law enforcement priorities, or the City and County of Pittsburgh changes ordinances, zoning codes or policy or law enforcement priorities, or the Federal government changes law enforcement priorities to cause the use of the Premises (defined as a medical marijuana dispensary) to change that would make Tenant’s intended use of Premises unlawful anytime during the Term, either Landlord or Tenant shall have the right to terminate the Lease. In such event, the terminating party shall provide the non-terminating party with written notice of its intent to terminate the Lease one hundred twenty (120) days prior to the desired date of termination of the Lease. Landlord acknowledges and agrees that Tenant intends to sell and distribute medical cannabis products on the Property and, although deemed legal pursuant to PA 2016 ACT 16, that the Permitted Use is illegal under the Controlled Substances Act, 21 U.S.C. §§ 801, et seq.
Existing Conditions Exhibit

901 East Carson Street – Roof New May 2016

First Floor
- Plumbing – to code
- Gas – to code
- Water – to code
- Furnace – 3 mo. old, new duct, AC condenser 3 yr. old
- Electric – to code

Second Floor
- Plumbing – to code, roughed in
- Gas – to code, roughed in
- Water – to code, roughed in
- Furnace – 3 mo. old, no AC, not distributed
- Electric – new panel to code, not distributed

Third Floor
- Plumbing – to code
- Gas – to code
- Water – to code
- Furnace – 10 yr old
- Electric – to code, 15 years old
- Apartment renovated 7 months ago

903 E. Carson – Roof New May 2016

First Floor
- Plumbing – to code
- Gas – to code
- Water – to code
- Furnace – 12 yr old, no AC
- Electric – to code, 15 yr old

Second Floor
- Plumbing – needs brought up from first floor
- Gas – needs brought up from first floor
- Water – needs brought up from first floor
- Furnace – none, no AC
- Electric – panel installed +/- 17 years ago, needs distributed

Tenant is responsible for all work above and beyond current existing conditions, as well as all code, permit, occupancy, and license related requirements and expenses for intended use.
Existing Conditions Exhibit Cont.

DOH REDACTED

DOH REDACTED

DOH REDACTED
**OPERATING EXPENSE ADDENDUM TO COMMERCIAL LEASE**

This form recommended and approved for, but not restricted to use by, the members of the Pennsylvania Association of Realtors® (PAR).

PREMISES 901 E. Carson Street Floors 1&2, 903 E. Carson Street All Floors, Pittsburgh, PA 15203

TENANT: TOLA Management Corp.

LANDLORD: Essa Khalil, Jemrie Khalil

---

1. In addition to the Rent as calculated in the Lease, Tenant will pay for the Operating Expense(s) associated with the operation, maintenance and repair of the Premises and common areas, if any, as set forth below. Any Operating Expense(s) not specifically assigned to Tenant will be the sole responsibility of Landlord.

2. Tenant’s pro rata share of the Operating Expenses set forth below are N/A% (100 if not specified) of the total cost. Any Operating Expenses included in Common Area Maintenance (CAM) expenses as defined in the Lease will be governed by Paragraph 7(B) of the Lease and will not be charged as both a CAM expense and an Operating Expense.

3. Operating Expenses will be paid by Tenant and Landlord as follows:

   **(A) Outdoor Maintenance**
   - Landscape costs to maintain, replace and care for lawns, shrubs, trees, etc. □ ☑ □
   - Maintaining and repairing the exterior sprinkler system used for landscaping □ ☑ □
   - Cleaning and sweeping sidewalks □ ☑ □
   - Costs to repair, replace and maintain sidewalks and curbs □ ☑ □
   - Cleaning and sweeping of parking lot(s) □ ☑ □
   - Costs to repair, replace and maintain the parking lot(s) □ ☑ □
   - Snow and ice removal □ ☑ □
   - Costs to repair, replace and maintain exterior doors and awnings □ ☑ □
   - Costs to repair, replace and maintain stormwater detention or retention facility □ ☑ □
   - Other: N/A □ ☑ □
   - Other: N/A □ ☑ □

   **(B) Utilities**
   - Trash disposal and recycling fees □ ☑ □
   - Indoor lighting costs, including electricity and bulb replacement □ ☑ □
   - Outdoor lighting costs, including electricity and bulb replacement □ ☑ □
   - Interior heating □ ☑ □
   - Interior cooling □ ☑ □
   - Water costs, fees and inspections □ ☑ □
   - Sewer costs, fees and inspections □ ☑ □
   - Other: N/A □ ☑ □
   - Other: N/A □ ☑ □

   **(C) Service Contracts**
   - Pest extermination service contracts and costs □ ☑ □
   - Security services □ ☑ □
   - Janitorial services □ ☑ □
   - Other: N/A □ ☑ □
   - Other: N/A □ ☑ □

   **(D) Insurance** (See Paragraph 19 of Lease for further details)
   - Costs to insure building □ ☑ □
   - Fire protection □ ☑ □
   - Flood protection □ ☑ □
   - Plate glass protection □ ☑ □
   - Other: N/A □ ☑ □
   - Other: N/A □ ☑ □

   **(E) Structure**
   - Actual and preventative maintenance and repairs to roof □ ☑ □
   - Actual and preventative maintenance and repairs to building □ ☑ □
   - Actual and preventative maintenance and repairs to mechanical system(s) □ ☑ □
   - Other: N/A □ ☑ □
   - Other: N/A □ ☑ □

---

Tenant Initials: [Signature]

Landlord Initials: [Signature]

Pennsylvania Association of Realtors®

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3/15
(F) Special Assessments

<table>
<thead>
<tr>
<th>Description</th>
<th>Landlord Pays</th>
<th>Tenant Pays</th>
<th>Included in CAM</th>
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</thead>
<tbody>
<tr>
<td>1. Water/Sewer</td>
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<td>4. Snow and ice removal</td>
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<td>5. Parking lot repair and maintenance</td>
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<td>☐</td>
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<tr>
<td>6. Other:</td>
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<tr>
<td>7. Other:</td>
<td>N/A</td>
<td>☑</td>
<td>☐</td>
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</tbody>
</table>

4. BILLING

(A) For those Operating Expenses that are billed directly to Tenant by a service provider, it shall be the responsibility of Tenant to contact the appropriate service provider(s) and make arrangements for said services. Tenant agrees that Landlord is not responsible for providing such services and/or utilities and will not be a guarantor for payment.

(B) Any Operating Expenses that are billed to Tenant by Landlord will be paid upon demand. Landlord is required, upon request, to submit to Tenant an accounting statement which documents the actual cost of the Operating Expenses charged to Tenant. Tenant is hereby notified that Operating Expenses may fluctuate and are subject to modification based upon actual charges.

5. SPECIAL PROVISIONS:

Tenant shall pay 2/3rds of all real estate taxes on 901 E. Carson street, and 100% of all real estate taxes on 903 E. Carson Street.

Tenant shall reimburse Landlord for 70% of the water and sewage costs at 901 E. Carson Street, and 100% of the cost of water and sewage at 903 E. Carson Street, beginning at the Delivery of Possession.

Landlord is responsible for the maintenance, repair and good service, of all utilities from the point were the utility provider’s liability ends to where the utilities enter the building. Tenant is responsible for all utilities past their entrance to the building and continuing on to the tenants specifically leased Premises.

901 E. Carson 3rd floor Tenant has a right to one parking spot in the parking lot beyond 901 E. Carson.

All other terms and conditions of the Commercial Lease remain unchanged and in full force and effect.

NOTICE BEFORE SIGNING: If Tenant or Landlord has legal questions, Tenant or Landlord is advised to consult an attorney.

TENANT/AUTHORIZED SIGNER
Title
DATE

TENANT/AUTHORIZED SIGNER
Title
DATE

TENANT/AUTHORIZED SIGNER
Title
DATE

TENANT/AUTHORIZED SIGNER
Title
DATE

CO-SIGNER
Title
DATE

CO-SIGNER
Title
DATE

LANDLORD/AUTHORIZED SIGNER
Title
DATE 2/24/17

LANDLORD/AUTHORIZED SIGNER
Title
DATE 2/24/17
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All other terms and conditions of the Commercial Lease remain unchanged and in full force and effect.

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TENANT/AUTHORIZED SIGNER: [Signature]
Title: [Title]
Date: [Date]

TENANT/AUTHORIZED SIGNER: [Signature]
Title: [Title]
Date: [Date]

TENANT/AUTHORIZED SIGNER: [Signature]
Title: [Title]
Date: [Date]

TENANT/AUTHORIZED SIGNER: [Signature]
Title: [Title]
Date: [Date]

CO-SIGNER: [Signature]
Title: [Title]
Date: [Date]

CO-SIGNER: [Signature]
Title: [Title]
Date: [Date]

LANDLORD/AUTHORIZED SIGNER: [Signature]
Title: [Title]
Date: [2/4/17]

LANDLORD/AUTHORIZED SIGNER: [Signature]
Title: [Title]
Date: [2/4/17]
We, Essa Khalil and Hanni Khalil, are the owners of properties located at 901 & 903 E. Carson Street Pittsburgh, PA 15203. We have entered into a lease agreement to lease said property to TQLA Management Corp., for the operations of Global Resource Operations, LLC and Medganics LLC, specifically for the purpose of establishment of a medical marijuana dispensary location, pursuant to an expected permit being issued by the PA Department of Health. We have further agreed that the tenant may do renovations to allow the premises to be fully compliant with PA security requirements for a medical marijuana dispensary. The lease term is 5 years and the tenant has our permission to operate a medical marijuana organization on the premises for the full term of the lease and any subsequent renewals.

Essa Khalil Date

Hanni Khalil Date
SUBLEASE AGREEMENT

This Sublease Agreement is made and entered into as of the 22nd day of February 2017, by and between TQLA Management Corp. ("Sub Lessor"), Delaware Corporation, registered to do business in Pennsylvania, and Medganics, LLC ("Sub Lessee"), a Pennsylvania limited liability corporation, for the property located at 901 - 903 E. Carson Street, Johnstown, PA 15203.

This Sublease Agreement is made pursuant to Section 14 of the original Lease Agreement, between Essa and Hanni Khalil and TQLA Management Corp. (Exhibit A), and is further evidenced by the Lessors letter, attached herein as Exhibit B. Lessor consents to such sublease, with no further notice or financial information being required from Sub Tenant.

The Sub Lessor agrees to sublet and the Sub Tenant agrees to take the premises described below. Both parties agree to keep, perform and fulfill the promises, conditions and agreements below:

DOH REDACTED

This Sublease Agreement wholly incorporates and is subject to the original lease agreement between the Sub Lessor and Essa and Hanni Khalil, a copy of which is attached hereto, and which is hereby referred to and incorporated as if it were set out here at length. The Sub Tenant agrees to assume all of the obligations and responsibilities of the Sub Lessor under the original lease for the duration of the original lease agreement between Essa and Hanni Khalil and TQLA Management Corp.

Sub Lessor: TQLA Management Corp
By: Mary A. Parker, CEO
Dated: February 22, 2017

Sub Lessee: Medganics, LLC
By: Nickolas Palacios, Corp. Secy.
Dated: February 22, 2017
Mary A. Parker  
Parker & Crofford  
1230 Second Ave. S.  
Nashville, TN 37210

February 10, 2017

Re: TQLA Management Corp.  
Medical Marijuana Dispensary  
901-903 East Carson Street  
Request for Zoning Determination

Dear Ms. Parker:

This letter is a response to your request for a zoning determination regarding a proposed Medical Marijuana Dispensary to be located at 901-903 East Carson Street in the City of Pittsburgh. Pursuant to Code Section 911.03.B of the Pittsburgh Zoning Code, the proposed use can be permitted on the Subject Property as a special exception.

A special exception is a form of permitted use reviewed by the Zoning Board of Adjustment to confirm compliance with specific approval criteria. Code Section 922.07 sets forth the general criteria the Board is to consider in approving a use by special exception, including verification that the proposed development will not create detrimental visual, transportation, operational, health, safety, or property impacts.

Please contact the Department if you have any further questions.

Sincerely,

[Signature]

Corey Layman, AICP  
Zoning Administrator
To Whom It May Concern:

TQLA Management Corp is the management company that entered into the Lease Purchase Agreement with 901 & 903 E. Carson Street, Pittsburgh PA 20153. Medganics LLC has since entered into a Sublease on the location, with permission of the landlords, allowing Medganics, LLC to sublet the property at 901 & 903 E. Carson Street, for the purpose of operating a medical marijuana dispensary.

The zoning confirmation letter attached herein, states that the location can be permitted for the subject property as a special exception for a medical marijuana dispensary. Although addressed to TQLA, the letter applies specifically to the location and therefore, to Medganics, LLC.

Sincerely,

Mary A. Parker
# COMMERCIAL LEASE

This form recommended and approved for, but not restricted to use by, the members of the Pennsylvania Association of Realtors® (PAR).

## PARTIES

<table>
<thead>
<tr>
<th>TENANT(S): TQLA Management Corp.</th>
<th>LANDLORD(S): Marshall Commons, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorized Signer Mary Parker</td>
<td>Authorized Signer Brian Reuss</td>
</tr>
</tbody>
</table>

## TENANT’S PRINCIPAL PLACE OF BUSINESS:

6877 US 322
Franklin PA 16323

## LANDLORD’S PRINCIPAL PLACE OF BUSINESS:

DOH REDACTION

## TENANT’S EMAIL ADDRESS:

mparker@parker-croflord.com

## LANDLORD’S EMAIL ADDRESS:

DOH REDACTION

## PREMISES

A portion of the real property known as Suite Number(s) 2B

Basement

1,200 square feet and located at 9125 Marshall Road

N/A

Unit(s) N/A

ZIP 16066

in the municipality of Cranberry Township

County of Butler

in the Commonwealth of Pennsylvania, with improvements consisting of

N/A

## TENANT’S RELATIONSHIP WITH PA LICENSED BROKER

☐ No Business Relationship (Tenant is not represented by a broker)

<table>
<thead>
<tr>
<th>Broker (Company)</th>
<th>Licensee(s) (Name)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlson &amp; Associates, Inc.</td>
<td>Michael Cunko</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Company Address</th>
<th>Direct Phone(s)</th>
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<tbody>
<tr>
<td>106 S. 18th Street</td>
<td>DOH REDACTION</td>
</tr>
<tr>
<td>Pittsburgh, PA 15203</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Company Phone (121) 431-1718</th>
<th>Cell Phone(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Fax (121) 488-1598</td>
<td>Fax</td>
</tr>
<tr>
<td>Broker is (check only one):</td>
<td>Email</td>
</tr>
<tr>
<td>☑ Tenant Agent (Broker represents Tenant only)</td>
<td>DOH REDACTION</td>
</tr>
<tr>
<td>☐ Dual Agent (See Dual and/or Designated Agent box below)</td>
<td></td>
</tr>
</tbody>
</table>

☐ Transaction Licensee (Broker and Licensee(s) provide real estate services but do not represent Tenant)

## LANDLORD’S RELATIONSHIP WITH PA LICENSED BROKER

☐ No Business Relationship (Landlord is not represented by a broker)

<table>
<thead>
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</tr>
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<tbody>
<tr>
<td>Company Fax</td>
<td>Fax</td>
</tr>
<tr>
<td>Broker is (check only one):</td>
<td>Email</td>
</tr>
<tr>
<td>☐ Landlord Agent (Broker represents Landlord only)</td>
<td>DOH REDACTION</td>
</tr>
<tr>
<td>☐ Dual Agent (See Dual and/or Designated Agent box below)</td>
<td></td>
</tr>
</tbody>
</table>

☐ Transaction Licensee (Broker and Licensee(s) provide real estate services but do not represent Landlord)

## DUAL AND/OR DESIGNATED AGENCY

A Broker is a Dual Agent when a Broker represents both Tenant and Landlord in the same transaction. A Licensee is a Dual Agent when a Licensee represents Tenant and Landlord in the same transaction. All of Broker’s licensees are also Dual Agents UNLESS there are separate Designated Agents for Tenant and Landlord. If the same Licensee is designated for Tenant and Landlord, the Licensee is a Dual Agent.

By signing this Agreement, Tenant and Landlord each acknowledge having been previously informed of, and consented to, dual agency, if applicable.
1. LEASE DATE AND RESPONSIBILITIES

For and in consideration of the rents, covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Landlord leases to Tenant, and Tenant accepts from Landlord, the Premises described above, and any riders, supplements, addenda and exhibits which are made a part of this Lease, dated 03/13/2017.

2. DEFINITIONS

(A) "Additional Rent" shall mean all sums, charges or amounts of whatever nature (other than Base Rent) to be paid by Tenant to Landlord in accordance with the provisions of this Lease and any addenda including, but not limited to, taxes, water, electricity, security deposits, insurance premiums, repairs, and security services, whether or not such sums, charges or amounts are referred to as "Additional Rent." Landlord shall have the same remedies for default in the payment for Additional Rent as for default in the payment of Base Rent.

(B) "Base Rent" shall mean the minimum rent due as set forth in Paragraph 5.

(C) "Common Area Maintenance" (CAM) shall mean Tenant's pro rata share of the cost to maintain, clean or repair the common areas and amenities of the Premises as set forth in Paragraph 7.

(D) "Improvements" shall mean any equipment, device, capital improvement or replacement to Landlord's Premises (i) required to achieve economies in operating, maintaining and/or repairing the Premises; (ii) required by any governmental authority, board or agency having jurisdiction over Landlord's Premises; or (iii) recommended or required by any insurance carrier in connection with provisions of insurance for Landlord's Premises.

(E) "Landlord" shall mean the party named above as Landlord and any subsequent person(s) who succeeds to the rights of Landlord herein, each of whom shall have the same rights and remedies as he would have possessed had he originally signed this Lease as Landlord.

(F) "Operating Expenses" shall mean all expenses incurred in operating, maintaining, managing and repairing the building, land and all improvements, fixtures and equipment located thereon, including but not limited to sidewalks, parking areas, driveways and landscaping as set forth in Paragraph 7.

(G) "Real Property Taxes" shall mean all ad valorem, real property, personal property or similar taxes, charges and assessments, whether general, special or otherwise, which are levied, assessed or imposed during the Term by any governmental authority upon Landlord's Premises or any other property of Landlord, real or personal, located on Landlord's Premises, and any increase or decrease thereof. "Real Property Taxes" shall also include any tax that shall be levied or assessed in addition to, or in lieu of, such real or personal property taxes. It shall not include federal, state or local income taxes, any franchise, estate or inheritance tax, or any real estate transfer, documentary or intangible tax imposed by reason of sale or financing on Landlord's Premises.

(H) "Rent" shall mean the total sums due and payable to Landlord.

(I) "Tenant" shall mean the party named above as Tenant, as well as its or their respective heirs, personal representatives, successors and assigns, each of which shall be under the same obligations, liabilities and disabilities, and have only such rights, privileges and powers as he would have possessed had he originally signed this Lease as Tenant.

3. STARTING AND ENDING DATES OF LEASE (also called "Term")

(A) The Commencement Date shall be (select one):
- Substantial Completion: N/A
- Occupancy Date: N/A
- Signing Date: N/A
- Rent Commencement Date: N/A
- Other: N/A

Tenant's failure to take possession of the Premises for any reason when possession is delivered by Landlord shall not delay the Commencement Date.

(B) The Term of this Lease shall begin on the Commencement Date and expire on the last day of the 60th month ______ ("Expiration Date"). This date in subsequent years shall operate as the renewal date, if any.

(C) As used in this Lease, Substantial Completion shall mean that Tenant may utilize the Premises for Tenant's proposed use without material interference with Tenant's business activities.

4. RENEWAL TERM

(A) This Lease will renew as indicated below unless proper notice to terminate is given. In the event that the Lease is not renewed for any reason whatsoever, and Tenant does not vacate the Premises as set forth herein, Tenant will be considered a "hold over Tenant" and the provisions of Paragraph 32 shall apply.

(B) ☐ Option 1 - Automatic Termination

This Lease will automatically terminate at the expiration of the Term unless Landlord and Tenant enter into a written extension or renewal of the Lease prior to the last day of the Term ("Renewal Term").

(C) ☐ Option 2 - Automatic Renewal

1. If neither party terminates this Lease as set forth herein, this Lease will automatically renew for ☐ N/A additional month(s) (3 if not specified) OR ☐ N/A additional year(s) (1 if not specified) ("Renewal Term").

2. It is hereby mutually agreed that either party may terminate this Lease by providing written notice to the other party no less than N/A days (90 if not specified) prior to the expiration of the Term or any subsequent Renewal Term.

Tenant Initiils: [Signature] / [Date]

Landlord Initials: [Signature] / [Date]
(D) **Option 3 - Tenant's Option to Renew**

Landlord and Tenant agree that Tenant has the right to exercise 2 option(s) (1 if not specified) to extend the Lease, provided Tenant is not in continuing, material default or breach at the time the option is exercised. Each option shall be for a term identical to the Term identified in Paragraph 3 ("Renewal Term"). Tenant shall provide Landlord no less than 60 days (60 if not specified) written notice of Tenant's intention to exercise its option to renew the Lease.

(E) If notice of termination is given later than required, Rent is due for the entirety of the Renewal Term.

(F) Any renewal will be according to the terms of this Lease unless otherwise modified in a writing signed by Landlord and Tenant.

(G) At the Expiration Date or sooner termination of this Lease, Tenant shall peaceably surrender to Landlord possession of the Premises in the same condition as it is hereby required to be kept by Tenant, excepting reasonable wear and tear and changes in condition due to fire or other casualty.

1. Tenant may remove its trade fixtures from the Premises and shall repair any damage to the Premises caused thereby. Tenant may not remove any alterations, additions or improvements other than trade fixtures. Such alterations, additions or improvements shall become the property of Landlord as of the Expiration Date or sooner termination of this Lease. Lighting fixtures, heating and air conditioning equipment, plumbing and electrical systems and fixtures, and floor coverings shall not be deemed to be trade fixtures whether installed by Tenant or by anyone else, and shall not be removed from the Premises by or on behalf of Tenant at any time.

2. Landlord may, in Landlord’s sole discretion, conduct an inspection of the Premises. Landlord shall provide written notice to Tenant of the date of the inspection so that representatives of both Landlord and Tenant may attend. Following such inspection, Landlord shall provide Tenant with written notice within 10 days (10 if not specified) of such inspection setting forth those conditions for which Tenant is responsible to repair or restore under the Lease.

3. Tenant may, at Tenant’s election, either (i) make such repairs or restorations; or (ii) notify Landlord that Tenant desires Landlord to perform such repairs and restorations at Landlord’s actual, reasonable costs. If Tenant elects not to perform the repairs and restorations, Tenant shall pay Landlord’s actual, reasonable costs promptly after receiving notice that Landlord has completed the same. Such notice shall include an invoice or other record setting forth, in reasonable detail, Landlord’s actual costs of repairs and restorations.

5. **BASE RENT**

Tenant shall pay Base Rent as of the Commencement Date and thereafter, Base Rent of this Lease, unless otherwise stated by Landlord.

(B) The Security Deposit will be held for the performance by Tenant of all of its covenants, obligations and agreements set forth in this Lease, but in no event shall Landlord be obligated to apply the Security Deposit to Rent or other charges in arrears, or damages for Tenant’s default hereunder; however, Landlord may so apply the Security Deposit at its option. Landlord’s right to possess the Premises for Tenant’s default, or other such reason, shall not be affected by the fact that Landlord holds the Security Deposit.

(C) The Security Deposit, if not so applied by Landlord, shall be returned to Tenant within 60 days (60 if not specified) days after this Lease terminates, provided that Tenant has vacated the Premises and delivered the same to Landlord as herein provided.

(D) In the event of any transfer of Landlord’s interests in the Premises, Landlord shall have the right to transfer its interest in the Security Deposit following proper notice to Tenant, whereupon Landlord shall be released of all liability with respect to such a Security Deposit, and Tenant shall look solely to such transferee for the return of the same in accordance with the terms of the Lease.
7. ADDITIONAL RENT
(A) As Additional Rent and/or costs, Tenant agrees to timely pay all or Tenant's proportionate share of the following:
☐ Common Area Maintenance (CAM)
☐ Improvements
☑ Real Property Taxes
☐ Operating Expenses
(B) Tenant's pro rata share of CAM expenses are N/A % (100 if not specified) of the total cost. Upon demand for payment, Landlord is required to submit to Tenant an accounting statement which documents the actual cost of the CAM expenses. Tenant is hereby notified that CAM expenses may fluctuate and are subject to modification based upon actual charges.
(C) Unless otherwise indicated, Tenant agrees to pay all Operating Expenses, including but not limited to outdoor maintenance, utilities, service contracts, insurance, structural maintenance and repairs, and government assessments. Those Operating Expenses included in CAM will be paid by Tenant according to Paragraph 7(B), above.
☑ Operating Expense Addendum to Commercial Lease (PAR Form OXA) is attached and made part of this Lease.

8. PAYMENT SCHEDULE

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9. SIGNS
(A) All signs are subject to approval of Landlord, in its sole discretion. In addition, all signs must be in accordance and comply with, and if needed, be approved by Cranberry Township (municipality) and any other necessary governmental authority, prior to installation. Upon request of Landlord, Tenant shall provide Landlord with a scaled drawing of the sign, including colors, for Landlord's approval.
(B) Tenant shall remove all signs upon the expiration or earlier termination of the Lease, and such removal shall be at Tenant's sole cost and expense. Tenant shall repair any damage and fill any holes caused by such removal. In the event of a breach of this Lease, and in addition to all other remedies given to Landlord, Landlord shall have the privilege and right to remove any and all signs and restore the Premises to its prior condition, and Tenant shall be liable for any and all expenses so incurred by Landlord.

10. LANDLORD'S REPRESENTATIONS
Landlord warrants and represents that:
(A) As of the date of execution and during the term of this Lease, and any extensions or renewals thereto, Landlord has the full power and authority to execute and deliver this Lease, and to perform its obligations under this Lease.
(B) As of the date of execution and during the term of this Lease, and any extensions or renewals thereto, none of the terms, conditions or obligations of this Lease shall be precluded by or cause a breach of any other agreement, mortgage, contract or other instrument or document to which Landlord is a party.
(C) Upon paying Rent and performing its obligations as required under this Lease, Tenant shall be permitted to peaceably and quietly have, hold and enjoy the Premises.
(D) As of the Occupancy/Commencement Date, all exterior portions of the Premises, including any paved areas, parking areas and sidewalks, shall be in satisfactory condition and repair, and usable for the purposes intended.

11. ACCEPTANCE; POSSESSION
(A) By taking possession of the Premises, Tenant affirms and represents that the Premises is in good and tenantable condition, meets Tenant's needs for the use set forth in Paragraph 13, and that all work that was to be performed by Landlord pursuant to the terms of this Lease, if any, has been substantially completed. By taking possession, Tenant is accepting the Premises in "as is" condition.
(B) If Landlord is unable to give Tenant possession of the Premises on the Occupancy Date by reason of the holding over of a previous occupant or due to any cause beyond Landlord's control, Landlord shall not be liable in damages to Tenant. During the period that Landlord is unable to give possession, all rights and remedies of both parties, including Tenant's obligation to pay Rent, shall be suspended.
(C) If Tenant cannot take possession within 120 days (60 if not specified) of the Occupancy Date. Tenant's exclusive rights are to:
   1. Change the Occupancy Date of the Lease to the day when Premises is available. Tenant will not owe or be charged Base Rent until Property is available; OR
   2. Terminate the Lease and have all money already paid as Rent, Additional Rent or Security Deposit returned, with no further liability on the part of Landlord or Tenant.

12. GOVERNMENTAL REGULATIONS
Tenant shall, in the use and occupancy of the Premises, comply with all applicable laws, ordinances, notices and regulations of all governmental and municipal authorities, and with the regulations of the insurers of the property. Tenant shall keep in force at all times all licenses, permits and permits necessary for the lawful conduct of Tenant's business at the Premises. Nothing in the foregoing shall require Tenant to perform any work or make any improvements or repairs that Landlord is required to make pursuant to other provisions of this Lease.

Tenant Initials: [Signature]
Landlord Initials: [Signature]
13. TENANT'S USE AND COVENANTS

(A) Tenant shall use the Premises only for Medical Marijuana Dispensary and office space.

N/A

and in accordance with the use permitted under all applicable Federal, State and municipal laws, ordinances and regulations. In the event Tenant should elect to change the use of the Premises from what is identified herein, Tenant shall be permitted to do so, subject to Landlord's prior written consent.

(B) Tenant shall not bring into, use or permit to be kept on the Premises any dangerous, explosive, toxic, hazardous or obnoxious substance. Tenant will not maintain any hazardous substance or pollutant or contaminate as defined in 42 U.S.C. § 9601, et seq., or any hazardous substance, material and/or waste, including solid, liquid or gaseous materials, which are defined to be hazardous under any applicable federal, state or local laws, regulations or administrative or judicial decisions. Tenant shall indemnify and hold harmless Landlord from any and all liability for costs of remediation resulting from Tenant's violation of this Paragraph. This indemnification is intended to survive the expiration or other termination of this Lease.

(C) Tenant agrees that it will comply with all laws, ordinances, codes, orders, rules and/or regulations, requirements of any governmental body, agency, department, board or similar organization that has jurisdiction over the Premises, arising out of or affecting Tenant's use and occupancy of the Premises or the business conducted therein.

(D) Tenant covenants and agrees that Tenant, its employees, agents, invitees, licensees and other visitors, as permitted under this Lease, shall observe faithfully and comply strictly with such reasonable Rules and Regulations as Landlord or Landlord's agents may, after written notice to Tenant, from time-to-time adopt with respect to the building, property or Premises.

☐ Rules and Regulations for use of the property and common areas are attached and made part of this Lease.

(E) Tenant may not do or permit anything to be done in or about the Premises that will in any way obstruct or interfere with the rights of other tenants on the property, or injure or annoy them; use or allow the Premises to be used for any improper, illegal or objectionable purpose; cause, maintain, or permit any nuisances in, on or about the Premises; or commit or allow to be committed any waste in, on or about the Premises.

14. ASSIGNMENT AND SUBLetting

(A) Tenant shall not assign, mortgage, pledge or otherwise transfer or encumber this Lease or the Premises, nor subject or permit any part of the Premises to be occupied by any other person, firm or corporation other than Tenant or its employees, invitees, agents and servants, without Landlord's prior written approval, which approval shall be in Landlord's sole but reasonable discretion.

(B) In the event Landlord approves Tenant's request for assignment and/or subletting, each assignee or sublessee of Tenant's interest shall assume and be deemed to have assumed this Lease, and shall be and remain liable jointly and severally with Tenant for all payments, and for the due performance of all terms, covenants, conditions and provisions contained in this Lease.

(C) No assignment or subletting shall be binding upon Landlord unless the assignee or subtenant shall deliver to Landlord an instrument in recordable form containing a covenant of assumption by the assignee or sublessee, but the failure or refusal of an assignee or sublessee to execute the same shall not release the assignee or sublessee from its liability as set forth herein.

15. TENANT'S ALTERATIONS AND REPAIRS

(A) Tenant shall not, without first obtaining Landlord's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) on each occasion, make any improvements or repairs to the Premises. Tenant may, without the consent of Landlord, make minor improvements or repairs to the interior of the Premises provided that:

1. Each repair costs no more than $1,000.00 if not specified;

2. They do not impact the structural strength, integrity, operation or value of the building; and

3. Tenant shall take all steps required or permitted by law to avoid the imposition of any mechanics' lien upon the property.

(B) Improvements consisting of equipment, devices or improvements required by a governmental authority, board or agency in connection with Tenant's Permitted Use shall be at the sole cost and expense of Tenant, and Tenant shall remove same at the termination of the Lease.

(C) All other alterations, improvements and additions, except for minor alterations and improvements, become part of the Premises and are the property of Landlord without payment therefor by Landlord, and shall be surrendered to Landlord at the end of the Term or any Renewal Term.

(D) If, prior to the end of the Term or Renewal Term, Tenant provides written notice to Landlord that Tenant intends to remove all or any such alterations and improvements made by Tenant during its occupancy, or the parts thereof specified by Landlord, from the Premises, Tenant shall repair all damage caused by installation and removal.

(E) All work shall be performed in a workmanlike manner.

16. MECHANICS' LIENS

(A) Should any mechanics' lien or other lien be filed against the property or any part thereof by reason of construction, alteration, addition, improvement or installation performed by or on behalf of Tenant, or as a result of Tenant's acts or omissions, Tenant shall, within 30 days (30 if not specified) following receipt of notice of the existence of such lien, cause the same to be cancelled and discharged of record.

(B) If Tenant has not paid or desires to contest any claim of lien, Tenant agrees to indemnify and hold Landlord harmless from, and defend Landlord against any liability, loss, damage, costs and all related expenses (including reasonable attorneys' fees and costs) arising out of Tenant's non-payment or contest of such liens. Tenant shall also execute such indemnity agreements as would be
necessary to induce a title company to insure over any such lien. Tenant shall not be obligated to update Landlord’s title insurance policy at the time of the contest.

(C) If final judgment establishing the validity or existence of any contested lien is entered, Tenant shall pay and satisfy the same at once.

17. LANDLORD’S RIGHT TO ACCESS

In addition to any other rights reserved to Landlord under this Lease, Landlord shall have the following rights to access the Premises.

(A) With Landlord’s prior consent, Tenant shall have the right to install various locks on and within the Premises. Tenant shall furnish Landlord with copies of any such keys or combinations to provide access only in the event of an emergency or as otherwise set forth in this Lease. Tenant shall have a continuing obligation for the duration of the Lease, and any extensions thereto, to provide Landlord with any keys and/or passcodes necessary to enter the Premises.

(B) Landlord and its agents, contractors, and employees shall have the right to enter the Premises any reasonable time and after reasonable notice (i) for inspection, (ii) to supply any service that Landlord is obligated to provide under the terms and conditions of this Lease, (iii) to show the Premises to prospective buyers, lenders, or tenants, (iv) to affix and display “For Sale” or “For Rent” signs, and (v) to make repairs, alterations, additions, or improvements to the Premises or other portion of Landlord’s Property, which the examination or exhibition in making of any repairs to the Premises shall not unreasonably interfere with Tenant’s use.

(C) When possible, Landlord will give Tenant 72 hours (24 if not specified) notice of the date, time and reason for the visit. In emergencies, Landlord may enter the Premises without notice. If Tenant is not present, Landlord will notify Tenant who was there and for what purpose within 24 hours (24 if not specified) of the visit.

(D) Landlord shall not be liable in any manner to Tenant by reason of such entry or performance of repairs, alterations and/or additions to the Premises, and the obligations of Tenant hereunder shall not be affected, absent grossly negligent or intentional actions or failures to act attributable to Landlord, or any person or entity engaged by or on behalf of Landlord to perform such work. Landlord agrees (except in the case of Tenant’s default hereunder) that all repairs, alterations and additions (excepting only emergency work or work that must, in Landlord’s judgment, be performed on an urgent basis) by Landlord shall be performed in a reasonable manner at reasonable times, subject to the limitations contained herein.

(E) Following notice from either Party of intention to terminate or not renew this Lease, or failure of Tenant to exercise its option to renew this Lease, Landlord may commence efforts to market the Premises which may include placing a “For Rent” sign on or near the Premises. All of said signs shall be placed upon such part of the Premises as Landlord may elect, and may contain such information as Landlord shall require. Landlord or Landlord’s representative may use lock boxes, and take pictures and video of the Premises. Prospective purchasers or tenants may inspect the Premises at such times as the parties may agree, so long as they are accompanied by Landlord or Landlord’s representative.

18. INDEMNIFICATION

(A) Beginning on the Commencement Date and continuing throughout Tenant’s possession of the Premises, Tenant shall indemnify Landlord, its partners, directors, officers, agents and employees from and against any and all losses, whether or not based on negligence, costs (including reasonable attorneys’ fees), claims, damages, liabilities, suits, actions and causes of action, whether legal or equitable, sustained or arising by reason of Tenant’s default in any of its obligations under this Lease, or of the fault or neglect of Tenant or of the failure of Tenant or any of its officers, agents, employees or invitees, to fulfill any duty toward the public or to Landlord under this Lease, or to any person or persons whomever, that Tenant, by reason of its occupancy or use of the Premises may owe.

(B) Beginning on the Commencement Date and continuing throughout Tenant’s possession of the Premises, Landlord shall indemnify, defend and hold Tenant harmless from and against any and all third-party claims, suits and causes of action, whether legal or equitable, and costs (including reasonable attorneys’ fees) sustained or arising by reason of the intentional or grossly negligent acts or omissions of Landlord, its employees, agents, licensees or contractors.

(C) This Paragraph shall survive the expiration or earlier termination of this Lease with respect to any occurrence that occurs prior to the expiration or such earlier termination of the Term or exercised Renewal Term.

19. INSURANCE

(A) Tenant, at Tenant’s expense, shall obtain comprehensive general liability insurance coverage against any and all claims for injuries to persons or property occurring on the Premises by reason of Tenant’s use, occupancy or operation in and on the Premises. No later than the Signing Date, Tenant will provide Landlord with written documentation of said insurance coverage showing that the Premises will be insured as of the Commencement Date set forth in Paragraph 2(A). Tenant shall maintain insurance coverage throughout the Term of this Lease, and any Renewal Term(s).

(B) Such insurance shall include Landlord as an additional insured and shall require at least 30 days (30 if not specified) advance written notice of cancellation or nonrenewal be given to Landlord. Such insurance shall, at all times, provide coverage in an amount not less than $1,000,000.00 ($1,000,000.00 if not specified) in the aggregate. The policy or policies of Tenant’s liability insurance shall provide that a covered loss will be paid notwithstanding any act or negligence of Landlord or Tenant, and for payment of claims on an occurrence basis.

(C) Tenant agrees to keep its property located on the Premises insured, including all floor and wall coverings, and Tenant’s trade fixtures, equipment and other personal property from time-to-time situated on the Premises. The amount of coverage shall be such as determined by Tenant to adequately compensate Tenant for its loss, and if the proceeds of such insurance are not used for repair

Tenant Initials: [signature]

CL. Page 6 of 13

Landlord Initials: [signature]
or replacement of the property so insured, or if this Lease is terminated following a casualty, the proceeds applicable to the leasehold improvements shall be paid to Landlord and the proceeds applicable to Tenant’s personal property shall be paid to Tenant.

(D) Landlord will notify Tenant of any recommendations made by Landlord’s insurance carrier, as well as any codes or standards recommended by the National Fire Protection Association (“NFPA”) which, in Landlord’s sole but reasonable opinion, are relevant to the terms of the lease, and Tenant shall comply with any and all such reasonable recommendations. Landlord acknowledges that no NFPA codes or standards are currently recommended and Landlord is not aware of any imminent recommendations, unless set forth here: N/A

(E) Tenant will comply with all reasonable recommendations made by Landlord’s insurance carrier, Tenant’s insurance carrier, or with NFPA codes or standards that have been reasonably recommended. Tenant will not do, nor permit anything to be done, or neglect to do anything, or prevent anything to be brought onto the Premises that will (i) cause an increase in the premium that may be charged during the Term of this Lease on any fire or extended coverage insurance carried on the structure, or (ii) cause any increase in the premiums that may be charged during the Term of this Lease on any fire and/or extended coverage insurance carried on the structure and exterior of the property. If, by any reason of any act or omission of Tenant, the fire and extended coverage insurance premiums are increased, Tenant shall pay, as Additional Rent hereunder, the amount by which the premiums are increased. Landlord will notify Tenant of any NFPA codes or standards that are recommended, and of any notices it received concerning changes in rates.

20. DESTRUCTION OR DAMAGE

(A) If, during the Term of this Lease or any extension thereto, the Premises is damaged by fire or any other casualty, including, without limitation, natural disaster, and not occurring through the intentional or negligent acts or omissions of Tenant or those claiming under Tenant, or their employees respectively. Tenant shall promptly notify Landlord and Landlord shall repair the damaged portions of the Premises, including any improvements or alterations made by Landlord (but not any of Tenant’s property therein or improvements or alterations made by Tenant). If, however, in Landlord’s reasonable judgment, the damage would require more than 120 days (120 if not specified) of work to repair, or if the insurance proceeds (excluding rent insurance) that Landlord anticipates receiving must be applied to repay any mortgages encumbering the improvements, or are otherwise inadequate to pay the costs of such repair, Landlord shall have the right to terminate this Lease by so notifying Tenant. Such notice shall specify a termination date not less than 30 days (30 if not specified) after its receipt by Tenant.

(B) If the damage to the Premises is only partial and such that the Premises can be restored to its former condition within a reasonable time, Landlord may enter and repair, and this Lease shall not be affected, except that Base Rent shall be apportioned and suspended while such repairs are being made. If the Premises is so slightly damaged by fire or other casualty as mentioned above so as not to render the Premises unfit for occupancy, Landlord agrees the same shall be promptly repaired.

(C) Landlord shall not be liable for any damage, compensation or claim by reason of inconvenience or annoyance from the necessity of repairing any portion of the Premises, or improvements thereon, the interruption and the use of the Premises, or the termination of this Lease by reason of the destruction of the Premises.

21. FORCE MAJEURE

If either Party should be delayed or hindered, or prevented from performing any of the acts required in this Lease by reason of war, fire or other casualty, acts of terrorism, natural or environmental disasters, strike, walk-out, labor trouble, shortage of materials or equipment, or the inability to procure the same; failure of power, restrictive government laws or regulations, riot, insurrection, declaration of martial law, or other causes beyond the reasonable control of the party delayed, the performance of such act shall be excused for the period of such delay. This Paragraph shall not excuse Tenant, after the Commencement Date, from a timely payment of Rent or any other amounts required under this Lease.

22. CONDEMNATION/EMINENT DOMAIN

(A) In an instance of total condemnation, where all of the property is taken through an exercise of the power of eminent domain, this Lease shall terminate on the date when possession of the property was acquired by the condemning authority. The right to terminate this Lease under this Paragraph may be exercised by either party so notifying the other party in writing not later than 30 days (30 if not specified) prior to such date.

(B) In an instance of partial condemnation, Landlord shall have the right to terminate this Lease on the date when the condemned portion of the Premises is to be delivered to the condemning authority and neither party shall have any further responsibility or liability under this Lease or to the other where only part of the Premises is taken and:

1. The condemnation award is insufficient to restore the remaining portion of the Premises, or if such award must be applied to repay any mortgages encumbering improvements on the property, OR

2. In addition to a portion of the Premises, a portion of the improvements or land is taken and Landlord deems it commercially unreasonable to continue leasing all or a portion of the remaining space and the improvements.

(C) In an instance of partial condemnation, Tenant shall have the right to terminate this Lease on the date when the condemned portion of the Premises is to be delivered to the condemning authority and neither party shall have any further responsibility or liability under this Lease or to the other where a substantial portion of the Premises is so taken and it is commercially impossible for Tenant to continue its business within the Premises.
(D) If this Lease is not terminated after a partial condemnation, then after the date when the condemned portion of the Premises is delivered to the condemning authority, the Rent shall be reduced in the proportion that the condemned area bears to the entire area of the Premises.

(F) Tenant shall have the right to claim against the condemning authority only for removal and moving expenses and business relocation damages that may be separately payable to Tenant in general under Pennsylvania law, provided such payment does not reduce the award otherwise payable to Landlord. Subject to the foregoing, Tenant hereby waives all claims against Landlord with respect to a condemnation, and hereby assigns to Landlord all claims against the condemning authority including, without limitation, all claims for leasehold damages and diminution in value of Tenant’s leasehold estate.

23. SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT; ESTOPPEL CERTIFICATES

(A) This Lease shall be subject and subordinate at all times to the lien of any mortgages and other encumbrances now or hereafter placed upon the Premises or property. Tenant shall execute and deliver to Landlord upon demand an instrument acceptable to Landlord subordinating this Lease to the lien of any present or future mortgage or encumbrance as may be requested by any mortgagee of the property. At the request of any holder of any such mortgage, or the purchase of such mortgage at any foreclosure sale, or at any sale under a power of sale contained in such mortgage, Tenant shall act to and recognize such mortgagee or purchaser as Landlord under this Lease for the balance of the Term, including any renewal or extensions hereof, subject to all the terms of this Lease. Provided that Tenant is not in default of this Lease, its tenancy shall not be disturbed by Landlord, but shall continue in full force and effect. Landlord agrees to use reasonable efforts, but shall not be obligated to obtain from any future mortgagee a non-disturbance agreement for the benefit of Tenant on a form customarily issued by such mortgagee.

(B) Tenant shall, from time-to-time, execute and deliver within 5 days (5 if not specified) following receipt of a request from Landlord or Landlord’s mortgagee, grantee or lessor, a recordable instrument evidencing such subordination and Tenant’s agreement to act to and recognize such mortgagee under this Lease, without Tenant’s consent, but with notice in writing to Tenant, whereupon this Lease shall be deemed prior to such mortgage without regard to their respective dates. The term “mortgage” includes mortgages, deeds of trust, or similar instruments, and all modifications, consolidations, extensions, renewals or replacements hereof, or substitutes therefor.

(C) On or before the date Tenant first takes possession of the Premises, Tenant agrees to execute and cause all guarantors to execute, a tenant acceptance certificate and an estoppel letter in such form as Landlord may reasonably request.

24. DEFAULT

(A) Any of the following events shall constitute a default under this Lease by Tenant:

1. Failure by Tenant to pay, when due, any Rent or any other sum payable by Tenant under this Lease within 15 days (10 if not specified) after written notice by Landlord to Tenant that such sum is past due.

2. Tenant vacates the Premises before the proper termination of this Lease, including any Renewal Term.

3. Tenant fails to observe or perform any of Tenant’s other obligations as set forth in this Lease.

4. Tenant commits an act of bankruptcy or files a petition, or commences any proceedings under any bankruptcy or insolvency law.

A petition is filed or a proceeding is commenced against Tenant under any bankruptcy or insolvency law, and is not dismissed within sixty (60) days.

6. Tenant is adjudicated bankrupt.

7. A receiver or other official is appointed for Tenant, or for a substantial part of Tenant’s assets, or for Tenant’s interest in this Lease.

8. Any attachment or execution is filed or levied against a substantial part of Tenant’s assets or Tenant’s interest in this Lease, or any of Tenant’s property on the Premises that is not insured.

(B) If Landlord fails to observe or perform any of Landlord’s obligations as set forth in this Lease and Tenant has given Landlord not less than 30 days (30 if not specified) written notice of the default, or if the default is of a character so that more than 30 days (30 if not specified) to cure are required and Landlord fails to use its best efforts to cure the default after receiving notice from Tenant, then within 30 days (30 if not specified) notice, Tenant shall have the right, but not the obligation, to cure the default on behalf of Landlord, at the expense of Landlord, and may seek reimbursement from Landlord by means of any available legal process.

25. NOTICE OF DEFAULT

(A) Notwithstanding anything to the contrary in this Lease, and except in connection with the provisions of Paragraph 24(A)(2), (4), (5), (6), (7), or (8) for which no notice or cure period shall be given or permitted, if Tenant has failed or refused to perform. or has violated any of the non-monetary terms, covenants, conditions or agreements contained in this Lease, Landlord shall so notify Tenant in writing.

(B) Upon receiving such Notice of Default, Tenant shall correct the matter(s) complained of within 30 days (30 if not specified) after receipt of written notice, or if more than such 30 days (30 if not specified) are required to correct with reasonable diligence the matter(s) complained of in such notice, Tenant shall begin to correct them within such 30 days (30 if not specified) and pursue such corrective action with reasonable diligence thereafter, providing Landlord with timely written confirmation thereof. Tenant shall diligently follow through with such correction(s) to conclusion.
(C) In the event the default is a failure to pay Rent or other monetary obligations contained in this Lease, Landlord shall provide written notice within 5 _____ business days (5 if not specified) of a right to cure, and Tenant's right to cure shall exist no more than 2 _____ times (2 if not specified) in any 12 _____-month (12 if not specified) period, and such payment shall include the Late Charge(s).

26. WAIVER OF NOTICE

Tenant hereby waives all rights to legal notice, whether provided by statute or common law, and agrees that prior written notice delivered as provided herein with respect to proceedings to recover possession in the event of default, at any time shall be sufficient.

27. RIGHT TO CURE

If Tenant shall default in performing any of its obligations under this Lease, Landlord may (but shall not be obligated), in addition to Landlord's other rights and remedies, and without waiver of such default, cure such default on behalf of Tenant, thereby entering and possessing the Premises if deemed necessary by Landlord, provided that Landlord shall have first given Tenant notice of such default and Tenant shall have failed within 30 _____ days (30 if not specified) following receipt of said notice to cure or diligently pursue the cure of said default (which notice and opportunity to cure shall not be required in case of actual emergency). Tenant, upon demand of Landlord, shall reimburse Landlord for all actual costs (including reasonable attorneys' fees) incurred by Landlord with respect to such default and, if Landlord so elects, Landlord's efforts to cure the same.

28. ALTERNATIVE DISPUTE RESOLUTION

(A) Landlord and Tenant agree to cooperate by supporting and fully participating in all efforts to resolve disputes, complaints, claims and other problems that arise or are related to this Lease through mediation and, if not successfully resolved, then through binding arbitration in accordance with the principles of the Uniform Arbitration Act, 42 Pa.C.S.A. §7301, et seq., and other related laws of the Commonwealth of Pennsylvania. The parties make the foregoing commitment with full knowledge that by agreeing to submit disputes to binding arbitration, the parties are agreeing not to resort to the courts or the judicial system, and are waiving their rights to do so.

(B) When submitting a dispute to a mediator, the parties shall agree upon one mediator from a list of mediators available through the local court or local Federal district court or through such other agency as the parties may mutually agree. The parties agree to share all expenses of mediation equally.

(C) Should the parties not be able to resolve their dispute through mediation, each party will voluntarily submit to binding arbitration and shall appoint their own arbitrator. These arbitrators shall select a mutual third arbitrator, thus forming an "Arbitration Panel" that will then proceed to schedule the matter for disposition. In the event that the individual arbitrators are unable to agree on a neutral arbitrator, either party shall have the right to petition the local Court of Common Pleas to appoint a neutral arbitrator. In order to initiate the binding arbitration process, either party will submit a written request for arbitration to the other party, within a reasonable time following the unsuccessful mediation of their dispute. If the parties are unable to agree upon a location for arbitration, then the arbitration will be held at the local courthouse.

29. LANDLORD'S REMEDIES

(A) CONFESSION OF JUDGMENT/EJECTMENT - IN THE EVENT THAT, AND WHEN THIS LEASE SHALL BE DETERMINED BY TERM, COVENANT, LIMITATION OR CONDITION BROKEN AS AFORESAID, DURING THE LEASE TERM, AND ALSO WHEN AND AS SOON AS THE LEASE TERM HEREBY CREATED SHALL HAVE EXPIRED, IT SHALL BE LAWFUL FOR ANY ATTORNEY, AS ATTORNEY FOR LANDLORD, TO CONFESS JUDGMENT AND EJECTMENT IN ANY COMPETENT COURT AGAINST TENANT AND ALL PERSONS CLAIMING UNDER TENANT FOR THE RECOVERY BY LANDLORD OF POSSESSION OF THE PREMISES, WITHOUT ANY LIABILITY ON THE PART OF THE SAID ATTORNEY, FOR WHICH THIS LEASE SHALL BE A SUFFICIENT WARRANT, WHEREUPON, IF LANDLORD SO DESIRES, A WRIT OF POSSESSION WITH CLAUSES FOR COSTS MAY ISSUE FORTHWITH, WITH OR WITHOUT ANY PRIOR WRIT OR PROCEEDING WHATSOEVER. IF FOR ANY REASON AFTER SUCH ACTION HAS BEEN COMMENCED, THE SAME SHALL BE DETERMINED AND THE POSSESSION OF THE PREMISES REMAINS IN OR RESTORES TO TENANT, LANDLORD SHALL HAVE THE RIGHT IN THE EVENT OF ANY SUBSEQUENT DEFAULTS TO CONFESS JUDGMENT IN EJECTMENT AGAINST TENANT IN THE MANNER AND FORM HEREIN AND BEFORE SET FORTH, TO RECOVER POSSESSION OF THE PREMISES FOR SUCH SUBSEQUENT DEFAULT. NO SUCH DETERMINATION OF THIS LEASE NOR RECOVERING POSSESSION OF THE PREMISES SHALL DEPRIVE LANDLORD OF ANY REMEDIES OR ACTION AGAINST TENANT FOR RENT OR FOR DAMAGES DUE OR TO BECOME DUE FOR THE BREACH OF ANY CONDITION OR COVENANT; NOR THE RESORTS TO ANY WAIVER OF THE RIGHT TO INSIST UPON THE FORFEITURE, AND TO OBTAIN POSSESSION IN THE MANNER PROVIDED HEREIN.

(B) AFFIDAVIT REQUIRED - IN ANY ACTION IN EJECTMENT, LANDLORD SHALL FIRST CAUSE TO BE FILED IN SUCH ACTION AN AFFIDAVIT MADE BY IT OR SOMEONE ACTING FOR IT, SETTING FORTH THE FACTS NECESSARY TO AUTHORIZE THE ENTRY OF JUDGMENT OF WHICH FACTS SUCH AFFIDAVIT SHALL BE CONCLUSIVE EVIDENCE; AND IF A TRUE COPY OF THIS LEASE IS FILED IN SUCH ACTION, IT SHALL NOT BE NECESSARY TO FILE THE ORIGINAL AS A WARRANT OF ATTORNEY, ANY RULE OF COURT, CUSTOM OR PRACTICE TO THE CONTRARY NOTWITHSTANDING.

(C) Tenant releases Landlord and to any and all who appear for Landlord, from all procedural errors in said proceedings. Except as set forth above, Tenant expressly waives the benefits of laws, now or hereinafter enforced, exempting any goods on the Premises, or elsewhere from distraint, levy, or sale in any legal proceeding taken by Landlord to enforce any rights under this Lease.
(D) No act or forbearance by Landlord shall be deemed a waiver or election of any right or remedy by Landlord with respect to Tenant's obligations hereunder, unless and to the extent that Landlord shall execute and deliver to Tenant a written instrument to such effect, and any such written waiver by Landlord shall not constitute a waiver or relinquishment for the future of any obligation of Tenant. Landlord's acceptance of any payment from Tenant (regardless of any endorsement on any check or writing accompanying such payment) may be applied by Landlord to Tenant's obligations due hereunder in any priority as Landlord may elect, and such acceptance by Landlord shall not operate as an accord and satisfaction, or constitute a waiver of any right or remedy of Landlord with respect to Tenant's obligations hereunder. All remedies provided to Landlord herein shall be cumulative.

30. PAYMENT OF TENANT'S OBLIGATIONS BY LANDLORD

All terms, covenants, agreements and conditions to be performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense. If Tenant fails to pay any sum of money, other than Rent, required to be paid by Tenant under this Lease, or if Tenant shall fail to perform any other act that it is obligated to perform under this Lease, and if such failure(s) shall continue beyond any grace period or cure period as set forth in this Lease, Landlord may, without waiving or releasing Tenant from any of Tenant's obligations, make such payment or perform such task or other act on Tenant's behalf. All sums paid or incurred by Landlord and all incidental costs thereto (including reasonable attorneys' fees) shall be Tenant's sole cost and responsibility, and shall be deemed Additional Rent.

31. ABANDONMENT

(A) In the event of termination of this Lease in any manner whatsoever, Tenant shall immediately remove Tenant's goods and effects, and those of any other person claiming under Tenant or subtenants assigned to it, and quit and deliver the Premises to Landlord peacefully and quietly.

(B) Goods and effects not removed by Tenant after termination of this Lease, or within [N/A] hours (72 if not specified) after termination by reason of Tenant's default, shall be considered abandoned.

(C) Landlord shall give Tenant notice of right to reclaim abandoned property pursuant to applicable local law, and thereafter dispose of the same as it deems expedient, including in storage and public warehouse or elsewhere at the cost and for the account of Tenant. Tenant shall promptly upon demand reimburse Landlord for any expense incurred by Landlord in connection with storing or disposing of Tenant's goods and effects, which obligation shall survive the termination or expiration of this Lease.

32. HOLDING OVER

(A) This Lease shall expire absolutely and without notice on the last day of the Term or any renewal thereof. If Tenant, with the prior written consent of Landlord, retains possession of the Premises or any part thereof after the termination of this Lease by expiration of the Term or otherwise, a month-to-month tenancy shall be deemed to exist. Tenant shall continue to pay all Rent, plus ordinary maintenance, taxes, insurance and all other charges due under this Lease. Such holdover tenancy may be terminated by Landlord or Tenant upon 30 days (30 if not specified) written notice by either party to the other party.

(B) If such holding over exists without Landlord's prior written consent, Tenant shall pay Landlord, as partial compensation for such unlawful retention, an amount calculated on a per diem basis for each day of such continued unlawful retention equal to _____% (150 if not specified) of the Rent for the time Tenant remains in possession. Such payments for unlawful retention shall not limit any rights or remedies of Landlord resulting by reason of the wrongful holding over by Tenant, nor shall such unlawful retention create any right of Tenant to continue in possession of the Premises. All other terms and provisions of this Lease then in effect shall remain in effect.

33. PRESERVATION OF LANDLORD'S ENFORCEMENT RIGHTS

Landlord's acceptance of Rent or any amount due and owing, or failure to enforce any right under this Lease shall not waive any other rights that Landlord may have hereunder. Any attempt to collect Rent and/or other amounts due and owing by one proceeding shall not waive Landlord's right to collect the same by any other proceeding.

34. RECORDING

Neither this Lease, nor any assignment of this Lease, shall be recorded by Tenant.

35. TENANT'S JOINT AND SEVERAL LIABILITY

If two or more individuals, corporations, partnerships, or other business associations, or any combination of two or more, shall sign this Lease as Tenant, the liability of each such individual, corporation, partnership or other business association to pay Base Rent, pay Additional Rent, and to perform all other obligations hereunder to be performed by Tenant shall be deemed to be joint and several. If Tenant named in this Lease shall be a partnership or other business association, the members of which are, by virtue of statute or general law, subject to personal liability, the liability of each such member shall be joint and several.

36. TRANSFER OF LANDLORD'S INTEREST; LIMITATION TO LIABILITY

(A) Notwithstanding any provision of this Lease to the contrary, in the event of the sale or other transfer of Landlord's interest in the property, Landlord shall immediately notify Tenant in writing at the address set forth in Paragraph 50. Upon the successful completion of the sale or other transfer of Landlord's interest in the property, Landlord shall be released and discharged from all covenants, agreements and obligations of Landlord, whether previously accrued or thereafter accruing.

(B) Liability of Landlord under this Lease shall be limited to its interest in Landlord's property, and any judgment against Landlord shall be satisfied solely out of the proceeds of the sale of its interest in the property, and any judgment so rendered shall not give rise to any right of execution or levy against any of Landlord's other assets.

(C) Landlord shall have no personal liability to any successor in interest with respect to any of the provisions of this Lease or any obli-
gation arising from this Lease. Tenant shall look solely to the equity of the then-owner of the property for satisfaction of remedies by Tenant in the event of a breach by Landlord of any of its covenants, agreements or obligations hereunder.

(D) In no event shall Landlord be liable to Tenant for consequential or punitive damages for any reason whatsoever.

37. TIME IS OF THE ESSENCE
All times and dates identified for the performance of any obligations of this Lease are of the essence and are binding.

38. CHOICE OF LAW
This Lease shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania.

39. ATTORNEYS’ FEES
If either party institutes legal proceedings against the other to enforce any provision of this Lease, or otherwise with respect to any dispute arising out of this Lease, in any legal proceeding that is final and unappealable, the losing party shall, within thirty (30) days after receipt of a detailed statement, reimburse the prevailing party for their reasonable attorneys’ fees and legal costs incurred.

40. CONSTRUCTION
(A) In construing this Lease, the terms “Lease,” “agreement” and “Agreement” shall be synonymous; the term “Lease” shall also include all exhibits, addenda and riders hereto. The singular shall be deemed to include the plural, and the plural the singular. All references to any specific party shall be gender neutral, and shall include their respective personal representatives, successors and permitted assigns.

(B) Where the provisions of this Lease refer to the duties and/or responsibilities of Tenant, the term “Tenant” shall be construed, wherever reasonable, to include Tenant’s agents, employees, officers and assigns.

41. HEADINGS
The section and paragraph headings in this Lease are for convenience only and are not intended to indicate all of the matter in the sections that follow them. They shall have no effect whatsoever in determining the rights, obligations or intent of the parties.

42. SUCCESSORS AND ASSIGNS
Subject to the restrictions on transfer, assignment and subletting, the terms, conditions and covenants of this Lease shall be binding upon and shall inure to the benefit of each of the parties, their heirs, personal representatives, successors and/or permitted assigns. When more than one party shall be Tenant under this Lease, or “Tenant” wherever used in this Lease shall be deemed to include all Tenants, jointly and severally.

43. BROKERS
It is expressly understood and agreed between the parties hereto that the herein named Broker(s), their licensees, employees and any officer or partner are acting only as agent for the party that hired them, and no other, and will in no case whatsoever be held liable, either jointly or severally, to either party for the performance of any term, covenant or condition of this Lease, or for any damages that arise from the breach, default or non-performance thereof.

44. LEASE INTERPRETATION; PRIOR REPRESENTATION
(A) The parties acknowledge that each has been represented by legal counsel in negotiating this Lease, or has had the opportunity to be so represented, and that each intends that the provisions of this Lease not be interpreted or construed against either party due to the fact that such party may have been responsible for the drafting of this Lease. The parties acknowledge that in the course of negotiating this Lease, their representatives gradually reached agreement on the terms set forth in this Lease.

(B) The parties acknowledge that none of the prior oral and written agreements between them, and none of the representations on which either of them has relied relating to the subject matter of this Lease, shall have any force or effect whatsoever, except as to the extent that such agreements and representations have been incorporated into this Lease.

45. SEVERABILITY
If any term or provision of this Lease or the application of any term or provision of this Lease to any person or circumstance is finally judged to be invalid or unenforceable, the remainder of this Lease shall not be affected (including any attempted application of the invalid or unenforceable term or provision to the other person or circumstance). Landlord and Tenant hereby acknowledge and agree that they would have agreed upon each term and provision contained in this Lease irrespective of the fact that one or more term or provision was contrary to the law, or during the Term or Renewal Term or extension thereof are found to be contrary to the law.

46. RIGHTS CUMULATIVE
Unless expressly provided to the contrary in this Lease, each and every one of the rights, remedies and benefits provided by this Lease shall be cumulative and shall not be exclusive of any other such right, remedy or benefit allowed at law or in equity.

47. EXECUTION AND COUNTERPARTS
This Lease may be executed in one or more counterparts, each of which shall be deemed to be an original, and all such counterparts together shall constitute one-in-the-same Lease of the parties. To facilitate execution of this Lease, the parties may initially execute and exchange by telephone, facsimile or email counterparts of the signature pages to be promptly supplemented by exchange of hardcopies.

48. ENTIRE AGREEMENT
This Lease and any attached exhibits and addenda constitute the entire agreement between Landlord and Tenant with respect to Landlord’s Premises. There are no promises, agreements, conditions or understandings, whether oral, written or digital, between them other than as are herein set forth. Neither this Lease nor any of its provisions may be altered, amended, changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the parties.

49. AUTHORITY
(A) The person(s) executing this Lease on behalf of Landlord do/does hereby represent and warrant that Landlord is a duly authorized
and validly existing Individual (nature of entity) under the laws of Pennsylvania (state), that Landlord is authorized to do business in the Commonwealth of Pennsylvania, that Landlord has full rights, power and authority to enter into this Lease, and that each person signing on behalf of Landlord is authorized to do so.

(B) The person(s) executing this Lease on behalf of Tenant do/does hereby represent and warrant that Tenant is a duly authorized and validly existing Corporation (nature of entity) under the laws of Pennsylvania (state), that Tenant is authorized to do business in the Commonwealth of Pennsylvania, that Tenant has full rights, power and authority to enter into this Lease, and that each person signing on behalf of Tenant is authorized to do so.

50. NOTICES

(A) Notices shall be in writing and shall be deemed properly served three (3) business days after depositing in the United States postal service, as registered or certified mail, return receipt requested, postage prepaid, or upon receipt when sent by overnight express carrier with a request that the addressee sign a receipt evidencing delivery, and addressed as follows, or to any other address furnished in writing by any of the foregoing:

TO TENANT:

TQLA Management Corp.
6877 US 322, Franklin, PA 16323

TO LANDLORD:

Scoliari Law Group, P.C.
1207 Fifth Avenue, Suite 200 Pittsburgh, PA 15219

(B) Any change of address furnished by either party shall comply with the notice requirements of this Paragraph, and shall include a complete outline of the current notice of addresses to be used for all parties, including electronic mail addresses.

51. SPECIAL CLAUSES

(A) The following are part of this Lease if checked:

☐ Change of Lease Terms Addendum (PAR Form CLT)
☐ Floorplan of Premises
☐ Existing Conditions Exhibit
☐ Operating Expense Addendum

(B) Additional Terms:

Tenant shall have the exclusive right and first option to purchase 9125 Marshall Rd. Cranberry, PA 16666. The purchase option shall be executed by a separate agreement of sale, the terms of which shall be mutually agreed upon, with agreement to terms not to be unreasonably withheld, at the tenant's exercising of it’s option to purchase. Purchase price shall be based on an independent 3rd party appraisal, certified appraiser to be mutually agreed upon.

Tenant shall have 120 days from date of lease execution to apply for a medical marijuana dispensary license. During this period tenant shall also apply to the Cranberry Township or a zoning approval letter. If during the contingency period, which shall extend to the date upon which the PA Department of Health grants or denies permit applications pursuant to PA 2016 Act 16, Phase 1, tenant is unable to obtain said license or zoning approval, the lease shall become void and neither party shall have any further obligation to the other.

DOH REDACTED

Delivery of possession shall occur 120 days after lease execution, or any additional contingency period, or such earlier date as the permit is granted for dispensary operation pursuant to PA 2016 Act 16.

Tenant will provide a security deposit equal to one month's rent, and first month's rent at the expiration of the contingency period and delivery of possession.

Landlord shall provide a broom clean space with properly functioning, sized, and to code heating and air conditioning system, plumbing and sewage system, electrical system, and roof covering.

Tenant shall obtain insurance on the premises within ten (10) days of delivery of possession. Landlord shall be responsible for insurance on the premises during the contingency period.

Tenant shall have the right to construct one covered parking structure, the appropriate size and dimensions to accommodate a delivery vehicle, and have a secure door enclose the vehicle once inside the structure. Said structure will also have direct access to the lease premises. All construction shall be subject to Landlord approval which shall not be unreasonably withheld.

Addendum A, attached hereto, is incorporated as a part of this lease agreement and supersedes and amends all items of this lease.
NOTICE BEFORE SIGNING: If Tenant or Landlord has legal questions, Tenant or Landlord is advised to consult an attorney.
Landlord and Tenant have negotiated the terms and conditions of this Lease, including any and all addenda hereto, and have initialed any and all changes made, and identify this Date 03/13/2017 as the “Signing Date” of this Lease.

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LANDLORD TRANSFERS LEASE TO A NEW LANDLORD

As part of payment received by Landlord, (current Landlord) now transfers to (new landlord) his heirs and estate, this Lease and the right to receive the Rents and other benefits.

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CL Page 13 of 13
13. (A)
ADD:
Tenant shall use the Property shall be used for a licensed retail medical marijuana dispensary and office space and all other lawful uses allowed under 2016 ACT 16 of the State of Pennsylvania, and the Rules and Regulations of the Pennsylvania Department of Health, 28 PA.CODE CH.1161, the Municipal Zoning Codes of the City of Pittsburgh, County of Allegheny, and other applicable codes, including that Tenant shall not be allowed to use the Property for cultivation of marijuana or manufacture of marijuana-infused products.

Both Landlord and Tenant shall comply in all material respects with all present and future State laws, City ordinances or regulation, over the Property, concerning the use, occupancy, and condition of the Property and all machinery, equipment and furnishings therein, including, without limitation, the risk compliance with PA 2016 ACT 16, the Medical Marijuana Act and all other laws, ordinances, regulations, rules, orders and directives of any governmental agencies or authorities having jurisdiction over the same and alteration or improvements necessitated by the Permitted Use. Tenant will provide written notice to Landlord within five (5) business days after Tenant receives any notice of statutory or regulatory changes that require compliance by Landlord or Tenant to new codes or regulations from the State of Pennsylvania, any Agencies of the State, and/or the City of Pittsburgh or any other governmental or regulatory authority to comply with any such law, ordinance, rule, or regulation and the Parties will take all steps necessary to have the Property be in full compliance. Tenant will maintain the security of the Property against criminal activity in compliance with the Medical Marijuana Act. In the event that Tenant’s sale or distribution of medical marijuana products at any time becomes impermissible under the Medical Marijuana Act, Tenant will so notify Landlord and will immediately and properly dispose of all products on the Property in any manner permitted or required by law. Tenant will provide to Landlord upon request copies of any public licenses relating to Tenant’s use of the Property. In no event shall Tenant operate any business on the Property without having first provided Landlord with evidence Tenant has obtained all licenses required by any governmental authority necessary to operate such business.

14. (D)
Notwithstanding the provisions in this section, Landlord grants absolute permission to Tenant to immediately sublet the premises to Global Resource Operations, LLC or Medganics, LLC upon taking possession of the premises. Subtenant will be bound by all the terms, covenants, conditions, and restrictions of this Lease applicable to Tenant.

15. (A)
CHANGE TO: Tenant shall not, without first obtaining Landlord’s prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) on each occasion, make any improvements or repairs to the premises. Tenant may, without the consent of landlord, make improvements or repairs to the interior or exterior of the premises, to allow full and complete compliance with 2016 ACT 16 of the State of Pennsylvania, and the Rules and Regulations of the Pennsylvania Department of Health, 28 PA.CODE CH.1161, and all Codes of the City of Pittsburgh pertaining to medical marijuana dispensaries, and all subsequent amendments thereto, provided that:
1. They do not impact the structural strength, integrity, operation or value of the building, AND
2. Tenant shall take all steps required or permitted by law to avoid the imposition of any mechanic’s lien upon the property, improvements, or land.

17. (A)
ADD: Tenant shall not be required to provide Landlord with keys of access to its security rooms or vaults where cannabis products are stored. Such areas shall be under 24-hours surveillance.
(B) REPLACE WITH: Tenant shall permit Landlord and the authorized representatives of Landlord, upon prior reasonable notice by Landlord (except in the event of an emergency), to enter the Property at any times when accompanied by Tenant for the purpose of (i) inspecting the Property or (ii) making any necessary repairs thereto and performing any work therein; except, however, that prior notice shall not be required in the event of an emergency. Tenant shall also permit any and all representatives of any governmental and/or regulatory authority to enter the Property pursuant to the Marijuana Code.

31. (B) - Delete current and substitute
ADD: If Tenant abandons or vacates any portion of the Property or is in default in the payment of any rent, damages or other payments required to be made by this Lease or is in default of any other provision of this Agreement, Landlord may not enter upon the Property, until it first notifies the Pennsylvania Department of Health of its intent to do so and obtains permission to enter the premises. IN NO EVENT, SHALL LANDLORD TAKE POSSESSION OR CONTROL OF ANY CANNABIS PRODUCTS. If Landlord discovers cannabis products remaining on the abandoned premises, Landlord agrees that Landlord must notify the Pennsylvania Department of Health and strictly follow instructions provided by the DOH.

31. (C) - Delete current and substitute
ADD: In the event the State of Pennsylvania changes the law, including the Medical Marijuana Act, or law enforcement priorities, or the City and County of Pittsburgh changes ordinances, zoning codes or policy or law enforcement priorities, or the Federal government changes law enforcement priorities to cause the use of the Premises (defined as a medical marijuana dispensary) to change that would make Tenant's intended use of Premises unlawful anytime during the Term, either Landlord or Tenant shall have the right to terminate the Lease. In such event, the terminating party shall provide the non-terminating party with written notice of its intent to terminate the Lease one hundred twenty (120) days prior to the desired date of termination of the Lease. Landlord acknowledges and agrees that Tenant intends to sell and distribute medical cannabis products on the Property and, although deemed legal pursuant to PA 2016 ACT 16, that the Permitted Use is illegal under the Controlled Substances Act, 21 U.S.C. §§ 801, et seq.
**OPERATING EXPENSE ADDENDUM TO COMMERCIAL LEASE**

This form recommended and approved for, but not restricted to use by, the members of the Pennsylvania Association of Realtors® (PAR).

PREMISES 9125 Marshall Road, Cranberry Township, PA 16066

TENANT: TQLA Management Corp.

LANDLORD: Marshall Commons, Inc.

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1. In addition to the Rent as calculated in the Lease, Tenant will pay for the Operating Expense(s) associated with the operation, maintenance and repair of the Premises and common areas, if any, as set forth below. Any Operating Expense(s) not specifically assigned to Tenant will be the sole responsibility of Landlord.

2. Tenant’s pro rata share of the Operating Expenses set forth below are $N/A$% (100 if not specified) of the total cost. Any Operating Expenses included in Common Area Maintenance (CAM) expenses as defined in the Lease will be governed by Paragraph 7(B) of the Lease and will not be charged as both a CAM expense and an Operating Expense.

3. Operating Expenses will be paid by Tenant and Landlord as follows:

   **(A) Outdoor Maintenance**
   - Landscape costs to maintain, replace and care for lawns, shrubs, trees, etc.
   - Maintaining and repairing the exterior sprinkler system used for landscaping
   - Cleaning and sweeping sidewalks
   - Costs to repair, replace and maintain sidewalks and curbs
   - Cleaning and sweeping of parking lot(s)
   - Costs to repair, replace and maintain the parking lot(s)
   - Snow and ice removal
   - Costs to repair, replace and maintain exterior doors and awnings
   - Costs to repair, replace and maintain stormwater detention or retention facility
   - Other: N/A
   - Other: N/A

   **(B) Utilities**
   - Trash disposal and recycling fees
   - Indoor lighting costs, including electricity and bulb replacement
   - Outdoor lighting costs, including electricity and bulb replacement
   - Interior heating
   - Interior cooling
   - Water costs, fees and inspections
   - Sewer costs, fees and inspections
   - Other: N/A
   - Other: N/A

   **(C) Service Contracts**
   - Pest extermination service contracts and costs
   - Security services
   - Janitorial services
   - Other: N/A
   - Other: N/A

   **(D) Insurance (See Paragraph 19 of Lease for further details)**
   - Costs to insure building
   - Fire protection
   - Flood protection
   - Plate glass protection
   - Other: N/A
   - Other: N/A

   **(E) Structure**
   - Actual and preventative maintenance and repairs to roof
   - Actual and preventative maintenance and repairs to building
   - Actual and preventative maintenance and repairs to mechanical system(s)
   - Other: N/A
   - Other: N/A

---

Tenant Initials: ☑ ☑

Landlord Initials: ☑ ☑

Pennsylvania Association of Realtors®

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3/15
(F) Special Assessments
1. Water/Sewer
2. Utility
3. Government
4. Snow and ice removal
5. Parking lot repair and maintenance
6. Other: N/A
7. Other: N/A

4. BILLING
(A) For those Operating Expenses that are billed directly to Tenant by a service provider, it shall be the responsibility of Tenant to contact the appropriate service provider(s) and make arrangements for said services. Tenant agrees that Landlord is not responsible for providing such services and/or utilities and will not be a guarantor for payment.

(B) Any Operating Expenses that are billed to Tenant by Landlord will be paid upon demand. Landlord is required, upon request, to submit to Tenant an accounting statement which documents the actual cost of the Operating Expenses charged to Tenant. Tenant is hereby notified that Operating Expenses may fluctuate and are subject to modification based upon actual charges.

5. SPECIAL PROVISIONS:

All other terms and conditions of the Commercial Lease remain unchanged and in full force and effect.

NOTICE BEFORE SIGNING: If Tenant or Landlord has legal questions, Tenant or Landlord is advised to consult an attorney.

TENANT/AUTHORIZED SIGNER [Signatures and Titles]

CO-SIGNER [Signatures and Titles]

LANDLORD/AUTHORIZED SIGNER [Signature: Brian Newman] DATE 3/13/2017
March 13, 2017

To Whom It May Concern:


I, Brian Reuss, as President of Marshall Commons, Inc., have entered into a lease agreement to lease said property to TQLA Management Corp., for the operations of Global Resource Operations, LLC, and/or Medganics, LLC, specifically for the purpose of establishment of a medical marijuana dispensary location, pursuant to an expected permit being issued by the PA Department of Health.

We have further agreed that the tenant may do renovations to allow the premises to be fully compliant with PA security requirements for a medical marijuana dispensary, including construction of an enclosed structure for a single vehicle to make secure deliveries. The lease term [REDACTED] and the tenant has our permission to operate a medical marijuana organization on the premises for the full term of the lease and any subsequent renewals.

Sincerely,

Brian Reuss, President
Marshall Commons, Inc.
SUBLEASE AGREEMENT

This Sublease Agreement is made and entered into as of the 22nd day of February 2017, by and between TQLA Management Corp. ("Sub Lessor"), Delaware Corporation, registered to do business in Pennsylvania, and Medganics, LLC ("Sub Lessee"), a Pennsylvania limited liability corporation, at the property located at 9125 Marshall Road, Cranberry PA 16066.

This Sublease Agreement is made pursuant to Section 14. (D) of the original Lease Agreement, between Brian Reuss of Scoleri Law Group, P.C. and TQLA Management Corp. (Exhibit A), which states, "Landlord grants absolute permission to Tenant to immediately sublet the premises to Global Resource Operations, LLC or Medganics, LLC upon taking possession of the premises. Subtenant will be bound by all the terms, covenants, conditions, and restrictions of this Lease applicable to Tenant."

The Sub Lessor agrees to sublet and the Sub Tenant agrees to take the premises described below. Both parties agree to keep, perform and fulfill the promises, conditions and agreements below:

DOH REDACTED

This Sublease Agreement wholly incorporates and is subject to the original lease agreement between the Sub Lessor and Brian Reuss of Scoleri Law Group, P.C., a copy of which is attached hereto, and which is hereby referred to and incorporated as if it were set out here at length. The Sub Tenant agrees to assume all of the obligations and responsibilities of the Sub Lessor under the original lease for the duration of the original lease agreement between Brian Reuss of Scoleri Law Group, P.C. and TQLA Management Corp.

[Signatures]

Sub Lessor: TQLA Management Corp
By: Mary A. Parker, CEO
Dated: February 22, 2017

Sub Lessee: Medganics, LLC
By: Nickolas Palacios, Corp. Secy.
Dated: February 22, 2017
March 14, 2017

Ms. Mary Parker
Parker & Crofford
1230 Second Avenue S.
Nashville, TN  37210

Re:    Medical marijuana sales facility at 9125 Marshall Road, Suite B-2

Dear Ms. Parker,

Thank you for your inquiry regarding locating a Medical Marijuana Sales Facility at the above-referenced location. Please be aware that the Township has approved Ordinance 2016-468 which identifies that the “Sale of Medical Marijuana” is allowed in all Zoning Districts where “Pharmacy” uses are allowed. Those Zoning Districts are C-1, C-2, C-3, SU-1, SP-1, PIC and MU. The location that you have identified is Zoned SP-1 which allows the Sale of Medical Marijuana as a use by Right. Also, be aware that the growing of medical marijuana is allowed as “Agricultural Activities” which are allowed in all Zoning Districts except RMU. I have attached the new Ordinance for your use.

If you have any questions, please feel free to contact me at [DOH REDACTED]

Sincerely,

Ronald Henshaw, AICP, Director
Planning & Development Services

Enclosure

RH:naa

i:\development\non_residential\marshall_road\planning\general_correspondence\9125_marshall_road_medical_marijuana_3-14-17.docx
DOH REDACTED
Affidavit of Business History

State of ________________  )
County of ________________  ) ss: __________

The undersigned, __Nickolas P. Palacios__________________________, hereby certifies the following:

During the 10 years preceding the filing date of the initial permit application, the following principal(s), operator(s), financial backer(s) and employee(s), have held a position of management or ownership of a controlling interest in any other business in this Commonwealth or any other jurisdiction involving the manufacturing or distribution of medical marijuana or a controlled substance:

<table>
<thead>
<tr>
<th>Name of individual</th>
<th>Role (principal, operator, financial backer or employee)</th>
<th>Business name and address</th>
<th>Position of management or ownership of a controlling interest</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nick Palacios</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

I hereby certify that I am authorized to execute this affidavit on behalf of the applicant and that the information contained herein is true and correct and that there is no misrepresentation, falsification or omissions in this affidavit. I am further aware that any false or misleading statement or omitted information is punishable under the applicable provisions of 18 Pa. C.S. Ch. 49 (relating to falsification and intimidation).

__________________________
Signature of Affiant and Title

3/13/2017
Date

__________________________
Sworn to and subscribed before me this ____ day of March, 2017.

Notary Public

A photocopy, facsimile or other electronic version of this document shall be accepted as an original signature.
Affidavit of Business History

State of  [California]  
County of  [Los Angeles]  

The undersigned,  [Moshe Ben-Roohi]  hereby certifies the following:

During the 10 years preceding the filing date of the initial permit application, the following principal(s), operator(s), financial backer(s) and employee(s), have held a position of management or ownership of a controlling interest in any other business in this Commonwealth or any other jurisdiction involving the manufacturing or distribution of medical marijuana or a controlled substance:

<table>
<thead>
<tr>
<th>Name of individual</th>
<th>Role (principal, operator, financial backer or employee)</th>
<th>Business name and address</th>
<th>Position of management or ownership of a controlling interest</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moshe Ben-Roohi</td>
<td>Chief Medical Officer</td>
<td>LifeSpan Medicine</td>
<td>Medical Director 2012-2016</td>
<td>Present</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Santa Monica</td>
<td>Intervention Orthopedics</td>
<td></td>
</tr>
</tbody>
</table>

I hereby certify that I am authorized to execute this affidavit on behalf of the applicant and that the information contained herein is true and correct and that there is no misrepresentation, falsification or omissions in this affidavit. I am further aware that any false or misleading statement or omitted information is punishable under the applicable provisions of 18 Pa. C.S. Ch. 49 (relating to falsification and intimidation).

[Signature of Affiant and Title]  
Date  [3/3/17]


[Notary Public]

Notary Public

MY COMMISSION EXPIRES:  [April 15, 2017]

A photocopy, facsimile or other electronic version of this document shall be accepted as an original signature.
Affidavit of Business History

State of TENNESSEE
County of DAVIDSON

The undersigned, Mary A. Parker, CEO, Medganics, LLC, hereby certifies the following:

During the 10 years preceding the filing date of the initial permit application, the following principal(s), operator(s), financial backer(s) and employee(s), have held a position of management or ownership of a controlling interest in any other business in this Commonwealth or any other jurisdiction involving the manufacturing or distribution of medical marijuana or a controlled substance:

<table>
<thead>
<tr>
<th>Name of individual</th>
<th>Role (principal, operator, financial backer or employee)</th>
<th>Business name and address</th>
<th>Position of management or ownership of a controlling interest</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steven Miller</td>
<td>Operator/Pharmacist</td>
<td>Walgreens, Various Locations within Williamson County, TN</td>
<td>Pharmacy Manager</td>
<td>1982-present</td>
</tr>
<tr>
<td>Jean Dugan</td>
<td>Operator/Pharmacist</td>
<td>CVS Pharmacy, Numerous Locations in California</td>
<td>Pharmacy Manager</td>
<td>2010-present</td>
</tr>
<tr>
<td>Nancy Wolfe-Sidberry</td>
<td>Operator / Assistant Medical Director</td>
<td>Brentwood Family Care. Thoroughbred Dr., Brentwood, TN 37027</td>
<td>Owner, family care medicine clinic</td>
<td>1992-present</td>
</tr>
<tr>
<td>Nicholas Easley</td>
<td>COO</td>
<td>Comprehensive Cannabis Consulting, 2810 Speer Blvd, Denver, CO 80211</td>
<td>Owner, Chief Executive Officer</td>
<td>2014-present</td>
</tr>
<tr>
<td>Moshe Ben-Roohi</td>
<td>Chief Medical Officer</td>
<td>Lifespan Medicine, Santa Monica CA</td>
<td>Medical Director of Interventional Orthopedics</td>
<td>2012-present</td>
</tr>
</tbody>
</table>

I hereby certify that I am authorized to execute this affidavit on behalf of the applicant and that the information contained herein is true and correct and that there is no misrepresentation, falsification or omissions in this affidavit. I am further aware that any false or misleading statement or omitted information is punishable under the applicable provisions of 18 Pa. C.S. Ch. 49 (relating to falsification and intimidation).

Signature of Affiant and Title
CEO
Date 3/15/17
Sworn to and subscribed before me this 15th day of March, 2017.

Notary Public

MY COMMISSION EXPIRES: 1/16/17

A photocopy, facsimile or other electronic version of this document shall be accepted as an original signature.
Affidavit of Criminal Offense

State of Tennessee
County of Davidson

The undersigned, Mary A. Parker, hereby certifies the following by checking the boxes below:

Principal(s):
☐ No principal(s) listed in this permit application have been convicted of a criminal offense graded higher than a summary offense.

☐ One or more principals listed in this permit application have been convicted of a criminal offense graded higher than a summary offense.

If one or more principal(s) listed in this permit application has been convicted of a criminal offense graded higher than a summary offense, please provide below the name(s) of the principal(s) and the offense(s) of which one or more principal(s) was convicted.

Name(s): ____________________________
Offense(s): __________________________

Operator(s):
☐ No operator(s) listed in this permit application have been convicted of a criminal offense graded higher than a summary offense.

☐ One or more operator(s) listed in this permit application have been convicted of a criminal offense graded higher than a summary offense.

If one or more operator(s) listed in this permit application has been convicted of a criminal offense graded higher than a summary offense, please provide below the name(s) of the operator(s) and the offense(s) of which one or more operator(s) was convicted.

Name(s): ____________________________
Offense(s): __________________________

Financial Backer(s):
☐ No financial backer(s) listed in this permit application have been convicted of a criminal offense graded higher than a summary offense.
☐ One or more financial backer(s) listed in this permit application have been convicted of a criminal offense graded higher than a summary offense.

If one or more financial backer(s) listed in this permit application have been convicted of a criminal offense graded higher than a summary offense, please provide below the name(s) of the financial backer(s) and the offense(s) of which one or more financial backer(s) was convicted.

Name(s): __________________________________________
Offense(s): ________________________________________

[Signature]
Signature of Affiant and Title
Date 03/13/014

Sworn to and subscribed before me this 13th day of March, 2014.

[Signature]
Notary Public

MY COMMISSION EXPIRES: 11/06/17

A photocopy, facsimile or other electronic version of this document shall be accepted as an original signature.
Affidavit of Business History

State of ______________________                     )
County of ______________________      )

The undersigned, ________________________________, hereby certifies the following:

During the 10 years preceding the filing date of the initial permit application, the following principal(s), operator(s), financial backer(s) and employee(s), have held a position of management or ownership of a controlling interest in any other business in this Commonwealth or any other jurisdiction involving the manufacturing or distribution of medical marijuana or a controlled substance:

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<tr>
<th>Name of individual</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Nicholas Easley</td>
<td>COO</td>
<td>Comprehensive Cannabis Consulting, 2810 Speer Blvd., Denver CO 80211</td>
<td>Owner / Chief Executive Officer</td>
<td>2014 - Present</td>
</tr>
</tbody>
</table>

I hereby certify that I am authorized to execute this affidavit on behalf of the applicant and that the information contained herein is true and correct and that there is no misrepresentation, falsification or omissions in this affidavit. I am further aware that any false or misleading statement or omitted information is punishable under the applicable provisions of 18 Pa C.S. Ch. 49 (relating to falsification and intimidation).

___________________________ __________
Signature of Affiant and Title    Date

Sworn to and subscribed before me this ________ day of __________, 20____.

__________________________
Notary Public

MY COMMISSION EXPIRES:
Affidavit of Business History

State of  
County of  

The undersigned, Skip Sanzeri, hereby certifies the following:

During the 10 years preceding the filing date of the initial permit application, the following principal(s), operator(s), financial backer(s) and employee(s), have held a position of management or ownership of a controlling interest in any other business in this Commonwealth or any other jurisdiction involving the manufacturing or distribution of medical marijuana or a controlled substance:

<table>
<thead>
<tr>
<th>Name of individual</th>
<th>Role (principal, operator, financial backer or employee)</th>
<th>Business name and address</th>
<th>Position of management or ownership of a controlling interest</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

I hereby certify that I am authorized to execute this affidavit on behalf of the applicant and that the information contained herein is true and correct and that there is no misrepresentation, falsification or omissions in this affidavit. I am further aware that any false or misleading statement or omitted information is punishable under the applicable provisions of 18 Pa. C.S. Ch. 49 (relating to falsification and intimidation).

_________________________  
Signature of Affiant and Title  

_________________________  
March 17, 2017  
Date

_________________________  
Sworn to and subscribed before me this ______th day of March, 2017

_________________________  
Notary Public

_________________________  
MY COMMISSION EXPIRES:

A photocopy, facsimile or other electronic version of this document shall be accepted as an original signature.

pennsylvania  
DEPARTMENT OF HEALTH
COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF HEALTH

AFFIDAVIT OF CAPITAL SUFFICIENCY

State of TENNESSEE  
County of DAVIDSON  

I/WE  Mary A. Parker  

For the following applicant:

Medganics, LLC  
NAME OF BUSINESS  

6877 U.S 322  
ADDRESS  

(615)944-4827  
PHONE  

Franklin  PA  16323  Venango  
CITY  STATE  ZIP CODE  COUNTY  

hereby certify that the Applicant named has at least $150,000 on deposit with one or more financial institutions:
<table>
<thead>
<tr>
<th>Type of Capital</th>
<th>Source of Capital</th>
<th>Name and address of financial institution</th>
<th>Account number</th>
</tr>
</thead>
<tbody>
<tr>
<td>DOH REDACTED</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Sworn to and subscribed before me this 15th day of March, 2017.

[Signature]

Notary Public

MY COMMISSION EXPIRES: 11/6/17

A photocopy, facsimile or other electronic version of this document shall be accepted as an original signature.
RELEASE AUTHORIZATION

TO: ____________________________________________
(Do not write above this line – For Department of Health Only)

FROM: Medganics, LLC

Applicant's Name

I, Mary A. Parker, CEO, by and on behalf of the undersigned applicant, have filed a permit application with the Pennsylvania Department of Health ("Department"). I certify that I am authorized by the applicant to submit this Release Authorization on its behalf and to bind the applicant to all provisions within this Release Authorization. I understand that the applicant is seeking the granting of a privilege and acknowledge that the burden of proving the applicant’s qualifications and suitability for a favorable determination is at all times the burden of the applicant.

I understand that a background investigation may be conducted by the Department pursuant to its statutory duty to investigate the character, honesty, integrity and suitability of myself and any entity with which I am associated. I further understand and agree that I am voluntarily executing this Release Authorization to expressly authorize and permit the Department to obtain any and all information it deems necessary, and accept any risk of adverse public notice, embarrassment, criticism, or other action or financial loss which may result from action with respect to this permit application.

The rights and powers herein are granted to facilitate the background investigation being conducted by the Department at my request and on behalf of the applicant and is not otherwise intended to create or establish a legal or fiduciary relationship between the Department, its agents and employees, and me. I hereby acknowledge that no such relationship exists.

1. I hereby authorize and request every person, firm, company, corporation, board, association or institution of any kind, and every Federal, state or local government entity, including but not limited to every court, law enforcement agency, criminal justice agency or probation department, without exception, both foreign and domestic, to whom this Release Authorization is presented having any knowledge, information, documents, forms, photographs, computer files, accounts, ledgers or other items about, relating to or concerning the applicant and to fully discuss with and answer any inquiry made by any duly authorized investigator of the Pennsylvania Department of Health.

2. If this Release Authorization is presented to any brokerage firm, bank, savings and loan, or other financial institution or officer of same, I hereby authorize and request any and all documents, records or correspondence pertaining to the applicant, including but not limited to past loan information, notes, checking account records, savings deposit records, safe deposit box records, passbook records and general ledger folio sheets.

3. I hereby authorize an agent of the Department to obtain and review copies of any and all documents, records or correspondence pertaining to myself and the applicant, and I hereby authorize any Federal, state or municipal agency or body, law enforcement agency or criminal justice agency or department, tax agency or authority, regulatory agency, authority or body, to make full and complete disclosure of any and all information and documents including, but not limited to, documents and information otherwise privileged or not subject to public disclosure, as well as other information on file or available concerning the applicant.

4. This Release Authorization extends to the review and copy of any information protected by law or contact from disclosure, privilege or obligation.

5. I do for the applicant, as well as for myself, my heirs, executors, administrators, successors and assigns, hereby release, remise, exonerate and forever discharge the Department, its members, agents and employees, the Commonwealth of Pennsylvania and its instrumentalities, and any agents and employees thereof, from any and all liabilities including but not limited to all manner of actions, causes of action, suits,
debts, judgments, executions, claims, and demands whatsoever, known and unknown, in law or equity, which exist now or in the future against those entities and persons other than relating to a willfully unlawful disclosure or publication of material or information acquired during my investigation.

6. I do for the applicant, as well as for myself, my heirs, administrators, successors and assigns, hereby release, remise, exonerate and forever discharge every person, firm, company, corporation, board, association or institution of any kind, and every Federal, state or local government entity, including but not limited to every court, law enforcement agency, criminal justice agency or probation department, without exception, both foreign and domestic, to whom this request is presented, and any agents or employees thereof, from any and all liabilities, including but not limited to all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known or unknown, in law or equity, which exist now or in the future against those entities and persons to whom this request is presented, and any agents or employees thereof, arising out of or by reason of the furnishing or inspection of documents, records or other information released in compliance with a request made pursuant to, or as a result of, having been presented with, this Release Authorization.

7. The applicant agrees to indemnify and hold harmless the Department, its officials and employees and every person, firm, company, corporation, board, association or institution of any kind, and every Federal, state or local government agency, to whom this request is presented and form and against all claims, damages, losses, and expenses including reasonable attorneys' fees arising out of or by reason of, the acts permitted and provided for in the Release Authorization.

8. I agree that a reproduction of this request by photocopy, facsimile or other similar process shall be for all intents and purposes as valid as the original.

IN WITNESS WHEREOF, I have executed this Release on this 16th day of March, 2017.

[signature]
Authorized Signatory

State of TENNESSEE )

County of DAVIDSON ) ss:

On this 16th day of March, 2017, before me, a Notary Public, personally appeared ____________ (known to me or satisfactorily proven) to be the person whose name is subscribed in this Release, and acknowledged that he/she executed the same for the purposes herein contained.

IN WITNESS THEREOF, I hereunto set my hand and official seal.

[signature]
Notary Public

MY COMMISSION EXPIRES: 11/10/17
Attachment L: Applicant Priorities for Multiple Applications

Instructions:
- This attachment is for applicants who are submitting multiple medical marijuana organization permit applications. Use this attachment to indicate your priorities for which medical marijuana regions or counties you prefer for issuance of a permit. Not providing Attachment L as part of your medical marijuana organization permit application indicates that you have no preference.
- If you submit this form more than once, the last form the Department receives will represent your prioritization. This form cannot be submitted without being part of an application.
- If you elect to submit this attachment, please scan the completed form and save it as a PDF file called “Attachment L,” using the appropriate file name format.

Business Name, as it appears on the applicant’s certificate of incorporation, charter, bylaws, partnership agreement or other official documents:
Medganics, LLC

Trade names and DBA (doing business as) names:

Principal Business Address: 6877 U.S. 322
City: Franklin | State: PA | Zip Code: 16323

DOH REDACTED

A. Priorities for Multiple Grower/Processor Permit Applications

Please check one of the following:
- □ The applicant would like to make the Department aware of the applicant’s priorities as listed below
- □ The applicant has no preference regarding medical marijuana regions

<table>
<thead>
<tr>
<th>MEDICAL MARIJUANA REGION</th>
<th>PRIORITY (If you intend to submit a permit application for more than one medical marijuana region, please rank your preferred region from 1-6, with 1 being the highest ranking)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1- Southeast</td>
<td>Priority ___</td>
</tr>
<tr>
<td>2- Northeast</td>
<td>Priority ___</td>
</tr>
<tr>
<td>3- Southcentral</td>
<td>Priority ___</td>
</tr>
<tr>
<td>4- Northcentral</td>
<td>Priority ___</td>
</tr>
<tr>
<td>5- Southwest</td>
<td>Priority ___</td>
</tr>
<tr>
<td>6- Northwest</td>
<td>Priority ___</td>
</tr>
</tbody>
</table>
B. Priorities for Multiple Dispensary Permit Applications

Please check one of the following:
- ☒ The applicant would like to make the Department aware of the applicant’s priorities as listed below
- ☐ The applicant has no preference regarding county

<table>
<thead>
<tr>
<th>MEDICAL MARIJUANA REGION</th>
<th>For each region for which you plan to submit multiple applications, please indicate the counties in order of priority, with 1 being the highest</th>
</tr>
</thead>
</table>
| 1- Southeast             | __ Berks
|                          | __ Bucks
|                          | __ Chester
|                          | __ Delaware
|                          | __ Lancaster
|                          | __ Montgomery
|                          | __ Philadelphia
| 2- Northeast             | __ Lackawanna
|                          | __ Lehigh
|                          | __ Luzerne
|                          | __ Northampton
| 3- Southcentral          | __ Blair
|                          | __ Cumberland
|                          | __ Dauphin
|                          | __ York
| 4- Northcentral          | __ Centre
|                          | __ Lycoming
| 5- Southwest             | __ Allegheny
|                          | __ Butler
|                          | __ Washington
|                          | __ Westmoreland
| 6- Northwest             | __ Erie
|                          | __ McKean