UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 29, 2015

CLS HOLDINGS USA, INC.
(Exact name of registrant as specified in its charter)

Nevada	**333-174705**	**27-3369810**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

1435 Yarmouth Street **Boulder, Colorado**	**80304**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (305) 992-2500

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Cautionary Note Regarding Forward-Looking Statements

This current report contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements relate to anticipated future events, future results of operations or future financial performance. These forward-looking statements include, but are not limited to, statements relating to the adequacy of our capital to finance our planned operations, market acceptance of our services and product offerings, our ability to attract and retain key personnel, and our ability to protect our intellectual property. In some cases, you can identify forward-looking statements by terminology such as "may," "might," "will," "should," "intends," "expects," "plans," "goals," "projects," "anticipates," "believes," "estimates," "predicts," "potential," or "continue" or the negative of these terms or other comparable terminology.

These forward-looking statements are only predictions, are uncertain and involve substantial known and unknown risks, uncertainties and other factors which may cause our (or our industry's) actual results, levels of activity or performance to be materially different from any future results, levels of activity or performance expressed or implied by these forward-looking statements. The "Risk Factors" section of this current report sets forth detailed risks, uncertainties and cautionary statements regarding our business and these forward-looking statements.

We cannot guarantee future results, levels of activity or performance. You should not place undue reliance on these forward-looking statements, which speak only as of the date that they were made. These cautionary statements should be considered together with any written or oral forward-looking statements that we may issue in the future. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to reflect actual results, later events or circumstances or to reflect the occurrence of unanticipated events.

Explanatory Note

On April 29, 2015, CLS Holdings USA, Inc., a Nevada corporation (the "Company"), entered into an Agreement and Plan of Merger (the "Merger Agreement") with CLS Labs, Inc., a Nevada corporation ("CLS Labs"), and a newly formed, wholly owned subsidiary of the Company, CLS Merger, Inc., a Nevada corporation (the "Merger Sub"), whereby the Merger Sub merged with and into CLS Labs (the "Merger"). Upon the consummation of the Merger, the separate existence of the Merger Sub ceased and CLS Labs, the surviving corporation in the Merger, became a wholly owned subsidiary of the Company, with the Company acquiring the stock of CLS Labs, abandoning its previous business, and adopting the existing business plan and operations of CLS Labs. In connection with the Merger, 6,250,000 shares, or 55.6%, of the Company's common stock owned by CLS Labs were extinguished and the stockholders of CLS Labs were issued an aggregate of 15,000,000 shares of common stock in the Company in exchange for their shares of common stock in CLS Labs.

As used in this current report, the terms the "Company," "we," "us," and "our" refer to the Company, including its wholly owned subsidiary, CLS Labs, after giving effect to the Merger, unless otherwise stated or the context clearly indicates otherwise. The term "CLS Labs" refers to CLS Labs, Inc. before giving effect to the Merger.

This current report contains summaries of the material terms of various agreements executed in connection with the transactions described herein. The summaries of these agreements are subject to, and are qualified in their entirety by, reference to these agreements, all of which are attached as exhibits to this current report.

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Item 1.01. Entry into a Material Definitive Agreement

On April 29, 2015, the Company entered into the Merger Agreement with CLS Labs and the Merger Sub, which we refer to in this current report as the "Merger Agreement," and completed the Merger. For a description of the Merger and the material agreements entered into in connection with the Merger, please see the disclosures set forth in Item 2.01 in this current report, which disclosures are incorporated into this item by reference.

Item 2.01. Completion of Acquisition or Disposition of Assets

THE MERGER AND RELATED TRANSACTIONS

Background of the Company

The Company was incorporated on March 31, 2011 as Adelt Design, Inc. to manufacture and market carpet binding art. Production and marketing of carpet binding art never commenced, however, and the Company remained in the development stage. On November 12, 2014, CLS Labs acquired 10,000,000 shares, or 55.6%, of the outstanding shares of common stock of the Company from its founder, Larry Adelt. On that date, Jeffrey Binder, the Chairman, President and Chief Executive Officer of CLS Labs, was appointed Chairman, President and Chief Executive Officer of the Company, and Michael Abrams, the Chief Operating Officer of CLS Labs, was appointed the Chief Operating Officer of the Company. On November 20, 2014, the Company adopted amended and restated articles of incorporation, thereby changing its name to CLS Holdings USA, Inc. Effective December 10, 2014, the Company effected a reverse stock split of its issued and outstanding common stock at a ratio of 1-for-0.625 (the "Reverse Stock Split"), wherein 0.625 shares of the Company's common stock were issued in exchange for each share of common stock issued and outstanding. As a result, 6,250,000 shares of the Company's common stock were issued to CLS Labs in exchange for the 10,000,000 shares that it owned by virtue of the above-referenced purchase from Larry Adelt.

The Merger

On April 29, 2015, which we refer to as the "Closing Date," the Company, CLS Labs and the Merger Sub entered into the Merger Agreement and completed the Merger, whereby the Merger Sub merged with and into CLS Labs, with CLS Labs remaining as the surviving entity. Upon the consummation of the Merger, the shares of the Company's common stock owned by CLS Labs were extinguished and the stockholders of CLS Labs were issued an aggregate of 15,000,000 shares of common stock in the Company in exchange for their shares of common stock in CLS Labs.

As a result of the Merger, we acquired the business of CLS Labs and abandoned our previous business. CLS Labs is a development stage company that plans to generate revenues through licensing, fee-for-service and joint venture arrangements related to its proprietary method of extracting cannabinoids from cannabis plants and converting the resulting cannabinoid extracts into saleable concentrates.

The Merger Agreement contains customary representations, warranties and covenants of the Company, CLS Labs, and, as applicable, the Merger Sub, for like transactions.

Accounting Treatment

For financial reporting purposes, the Merger represents a capital transaction of CLS Labs or a "reverse merger" rather than a business combination, because the sellers of CLS Labs controlled the Company immediately following the completion of the Merger. As such, CLS Labs is deemed to be the accounting acquirer in the transaction and, consequently, the transaction is being treated as a recapitalization of CLS Labs. Accordingly, the assets and liabilities and the historical operations that will be reflected in the Company's ongoing financial statements will be those of CLS Labs and will be recorded at the historical cost basis of CLS Labs. The Company's assets, liabilities and results of operations will be consolidated with the assets, liabilities and results of operations of CLS Labs after consummation of the Merger. The Company's historical capital accounts will be retroactively adjusted to reflect the equivalent number of shares issued by the Company in the Merger while CLS Labs' historical retained earnings will be carried forward. The historical financial statements of the Company before the Merger will be replaced with the historical financial statements of CLS Labs before the Merger in all future filings with the Securities and Exchange Commission, or "SEC". The Merger is intended to be treated as a tax-free exchange under Section 368(a) of the Internal Revenue Code of 1986, as amended.

On the Closing Date, Jeffrey I. Binder, the Chairman, President, Chief Executive Officer and sole director of the Company, appointed Frank Koretsky to the Company's board of directors. The officers and directors of the Company as of the Closing Date are identified in this current report under the heading "Directors and Executive Officers."

Current Ownership

Immediately after giving effect to the Merger, the extinguishment of 6,250,000 shares of our common stock owned by CLS Labs in the Merger, the issuance of an aggregate of 15,000,000 shares of our common stock to the former CLS Labs stockholders in the Merger, and the issuance of 250,000 shares of our common stock to Michael Abrams, the Company's Chief Operating Officer, pursuant to his employment agreement, as amended, 20,250,000 shares of our common stock and no shares of our preferred stock were issued and outstanding.

Change of Control

Except as described herein, no arrangements or understandings exist among present or former controlling stockholders with respect to the election of members of the Company's board of directors and, to our knowledge, no other arrangements exist that might result in a change of control of the Company. Further, as a result of the issuance of the shares of common stock pursuant to the Merger, a change in control of the Company occurred as of the date of consummation of the Merger.

DESCRIPTION OF BUSINESS

Overview

For the past two years, one of the founders of CLS Labs has been developing a proprietary method of extracting cannabinoids from cannabis plants and converting the resulting cannabinoid extracts into concentrates such as oils, waxes, edibles and shatter. These concentrates may be ingested in a number of ways, including through vaporization via electronic cigarettes ("e-cigarettes"), and used for a variety of pharmaceutical and other purposes. Internal testing of this extraction method and conversion process has revealed that it produces a cleaner, higher quality product and a significantly higher yield than the cannabinoid extraction processes currently existing in the marketplace.

On April 17, 2015, CLS Labs took its first step toward commercializing its proprietary methods and processes by entering into an arrangement (the "Colorado Arrangement"), through its wholly owned subsidiary, CLS Labs Colorado, Inc., a Florida corporation ("CLS Labs Colorado"), with certain Colorado entities, as described below. CLS Labs had not otherwise commercialized its proprietary process and had not earned any revenues prior to the Merger.

We intend to monetize this extraction method and generate revenues through (i) the licensing of our proprietary methods and processes to others, as in the Colorado Arrangement, (ii) the processing of cannabis for others, and (iii) the purchase of cannabis and the processing and sale of cannabis-related products. We plan to accomplish this through the creation of joint ventures, through licensing agreements, and through fee-for-service arrangements with growers and dispensaries of cannabis products. We believe that we can establish a position as one of the premier cannabinoid extraction and processing companies in the industry. Assuming we do so, we then intend to explore the creation of our own brand of concentrates for consumer use, which we would sell wholesale to cannabis dispensaries. We believe that we can create a "gold standard" national brand by standardizing the testing, compliance and labeling of our products in an industry currently comprised of small, local businesses with erratic and unreliable product quality, testing practices and labeling. We also plan to offer consulting services through a consulting subsidiary, Cannabis Life Sciences Consulting, LLC ("CLS Consulting"), which will generate revenue by providing consulting services to cannabis-related businesses, including growers, dispensaries and laboratories, and driving business to our processing facilities.

Our mission is to be the industry leader in the extraction, conversion and marketing of cannabinoid oils, wax, edibles and shatter by leveraging our extraction methods and conversion processes.

We have an experienced team of executives and consultants who each contribute significant value in the scientific, marketing and licensure arenas. Jeffrey Binder, a founder of CLS Labs and our Chairman, President and Chief Executive Officer, is a seasoned executive with experience in the strategic start-up and growth of companies in several different industries. Raymond Keller, a founder of CLS Labs, developed the aforementioned proprietary process of extracting, cleaning and converting the cannabinoids from the cannabis plant and the associated delivery materials and systems for such cannabinoids. Michael Abrams, our Chief Operating Officer, has significant experience in the medical marijuana consulting business, including executive-level experience in the cannabinoid extraction business and other cannabis-related ventures. Frank Koretsky, a founder of CLS Labs and director of the Company, is a successful entrepreneur who has proven to be a marketing and brand specialist.

Proprietary Process

Mr. Keller developed our proprietary process for extracting, cleaning and converting cannabinoids from cannabis plants. He has also created various delivery systems and materials to ready the converted cannabis product for different uses by different potential distributors. Mr. Keller contributed this intellectual property to CLS Labs in exchange for stock in CLS Labs, which was subsequently exchanged for stock in the Company in the Merger. The proprietary process is not patented, but is maintained as a trade secret by the Company. We believe that this proprietary process will allow us to extract and convert cannabinoids contained in cannabis in a manner that produces a greater yield than methods currently used in the industry. We believe this ability and the ability to convert these refined cannabinoids into products that can be used in multiple delivery systems will provide us with a strategic advantage in the cannabis industry.

The Colorado Arrangement

As CLS Labs is unable to obtain a license in Colorado to operate a cannabis processing facility due to residency requirements, on April 17, 2015, it entered into an arrangement through CLS Labs Colorado with Picture Rock Holdings, LLC ("PRH"), a Colorado limited liability company licensed by the State of Colorado as a marijuana infused product manufacturer and retailer, to, among other things, (i) license its proprietary technology, methods and processes to PRH in exchange for a fee; (ii) build a processing facility and lease such facility, including equipment, to PRH; and (iii) loan certain funds to PRH to be used by PRH in connection with its financing of the building out, equipping, and development of a marijuana grow facility (the "Grow Facility") by PRH that will be operated by a licensed third-party marijuana grower.

Licensing Agreement

On April 17, 2015, CLS Labs Colorado entered into a Licensing Agreement with PRH whereby, in exchange for a license fee payable over the ten (10) year term of the agreement, CLS Labs Colorado granted to PRH an exclusive license for the State of Colorado of certain proprietary inventions and formulas relating to the extraction from, separation and processing (the "Process") of marijuana to produce certain marijuana-infused products, including edibles, e-liquids, waxes and shatter (the "Products"), and to practice and use the Process in conjunction with the manufacture, production, sale, and distribution of the Products.

Pursuant to the Licensing Agreement, if during its term applicable state and local laws change to permit, in whole or in part, the ownership or issuance of a marijuana-infused products license in Colorado (a "MIP License"), directly or indirectly, by or to a person or entity who is not a Colorado resident, CLS Labs Colorado has the option to demand the transfer of up to a fifty six percent (56%) ownership interest in the MIP Licenses owned by PRH to CLS Labs Colorado or its designees. In exchange for such a transfer, the license fee due to CLS Labs Colorado under the Licensing Agreement will be reduced in proportion to the percentage ownership interest in the MIP Licenses transferred by PRH to CLS Labs Colorado or its designees.

Lease and Sublease

In connection with the Colorado Arrangement, on April 17, 2015, pursuant to an Industrial Lease Agreement (the "Lease"), CLS Labs Colorado leased 14,392 square feet of warehouse and office space (the "Leased Real Property") in a building in Denver, Colorado where certain intended activities, including growing, extraction, conversion, assembly and packaging of cannabis and other plant materials, are permitted by and in compliance with state, city and local laws, rules, ordinances and regulations. The Lease has an initial term of seventy-two (72) months and provides CLS Labs Colorado with two options to extend the term of the lease by up to an aggregate of ten (10) additional years.

Contemporaneously with the execution of the Lease, CLS Labs Colorado entered into a Sublease Agreement with PRH (the "Sublease"), thereby subletting the entire Leased Real Property to PRH. The term of the Sublease is the same as the Lease and PRH is required to pay CLS Labs Colorado monthly rent equal to the total rent due under the Lease for the corresponding month.

Equipment Lease

In addition to the above-referenced Sublease, on April 17, 2015, CLS Labs Colorado and PRH entered into an Equipment Lease Agreement (the "Equipment Lease") whereby, in exchange for a lease payment, CLS Labs Colorado agreed to commence building a fully equipped lab at the Leased Real Property, including purchasing all equipment necessary to extract, convert and provide quality control of all cannabis products of PRH. The Equipment Lease terminates upon the earlier of ten (10) years from its effective date or such earlier date upon which the Lease is terminated. PRH has the option to renew the Equipment Lease for a period of five (5) years, or such lesser period as remains under the Lease at the time of the renewal.

If during the term of the Equipment Lease applicable state and local laws change to permit, in whole or in part, the ownership or issuance of an MIP License, directly or indirectly, by or to a person or entity who is not a Colorado resident, CLS Labs Colorado has the option to demand the transfer of up to a fifty six percent (56%) ownership interest in the MIP Licenses owned by PRH to CLS Labs Colorado or its designees. In the event of a transfer of MIP Licenses by PRH to CLS Labs Colorado or its designees, the payment due to CLS Labs Colorado under the Equipment Lease will be reduced proportionally to the percentage ownership interest in the MIP Licenses that is transferred.

The Promissory Note

On April 17, 2015, CLS Labs Colorado loaned Five Hundred Thousand Dollars ($500,000) to PRH pursuant to a promissory note (the "Note") to be used by PRH in connection with the financing of the building out, equipping, and development of the Grow Facility by PRH that will be operated by a licensed third-party marijuana grower. PRH will repay the principal due under the Note in twenty (20) equal quarterly installments of Twenty Five Thousand Dollars ($25,000) commencing on July 1, 2015 and continuing until paid in full. Interest will accrue on the unpaid principal balance of the Note at the rate of twelve percent (12%) per annum and will be paid quarterly in arrears commencing on July 1, 2015 and continuing until paid in full. All outstanding principal and any accumulated unpaid interest due under the Note is due and payable on April 1, 2020.

Sale of Non-Pharmaceutical Solutions

In connection with the Colorado Arrangement, CLS Labs Colorado intends to enter into an agreement with PRH whereby PRH will purchase from CLS Labs certain proprietary, non-pharmaceutical solutions developed by CLS Labs or its affiliates (the "Solutions") that enable consumers who ingest the Products to absorb a greater percentage of the cannabinoid extracts contained therein and, in turn, will enable PRH to incorporate a lower percentage of cannabinoid extracts in the Products without diminishing the potency thereof. The terms of the proposed arrangement have not been finalized and a definitive agreement between the parties has not been reached.

Post-Merger Products and Services

Licensing Operations

In states such as Colorado, where we are unable to obtain a license to operate a cannabis processing facility due to residency or other requirements that we cannot meet, we will continue to enter into arrangements similar to the Colorado Arrangement, whereby we will agree to build out a processing facility and then lease the facility and equipment therein to the customer for what will generally be a ten year term. As part of this arrangement, the customer will be required to enter into an agreement of equal length to license our proprietary technology, methods and processes solely for use in the processing facility.

Processing Revenue

We also intend to enter into arrangements with cannabis growers whereby we will process their cannabis for a fee. Under such arrangements, growers will deliver cannabis plants to one of our facilities for processing. We will then apply our proprietary extraction and conversion technology to generate cannabinoid concentrates which may be delivered to the grower in bulk form or, for an additional fee, in individually-labeled retail-ready packages of oils, edibles, wax or shatter. In exchange for our services, we will either charge the grower a flat fee by weight of the finished product or, in certain instances, we may render our services in exchange for a percentage of the finished product which we will then sell to cannabis distributors or dispensaries.

Processing Facilities

We plan to lease buildings at which to construct processing facilities. We estimate the cost to develop each facility, including equipping the facility with appropriate equipment, to be between $1,000,000 and $2,000,000 and anticipate that we can complete each build out in approximately 4-6 months after any applicable licensing and permitting requirements have been met. We currently anticipate, subject to the availability of adequate capital, that we will be able to open between two and three processing facilities, for use either by a licensee or by us directly, in the next 18-24 months.

We expect that each processing facility will have the capacity to process, depending on size, between 2,000 and 5,000 pounds of cannabis per month. It is our intent not to build out a processing facility unless we believe that it has the potential to process at least 1,000 pounds of cannabis per month after its first twelve months of operations. The revenue generated from processing will vary, state by state and facility by facility, depending upon state law requirements and other factors.

Sale of Products and Brand Creation

Rather than charging growers a fee for our processing services, we may at times purchase unprocessed cannabis plants from growers, process the cannabis in our facility, and then sell the resulting cannabinoid concentrates, such as oils, wax, edibles and shatter, in the wholesale market to distributors or dispensaries. Eventually, we may explore creation of our own brand of concentrates for consumer use, which we would wholesale to cannabis dispensaries. We believe that by standardizing our quality, testing, compliance and labeling, we can create a national brand of concentrates that will be instantly recognizable in each new state that legalizes marijuana sales.

Consulting Services

Through CLS Consulting, we will offer consulting services to cannabis-related businesses such as growers and dispensaries. CLS Consulting consultants will advise clients regarding a variety of areas, such as licensure, growing, marketing and distribution. In addition to the revenue generated for consulting services, we anticipate that CLS Consulting will generate processing and sales business for the Company from grower and dispensary clients.

Growth Strategy

Our growth strategy includes the following plans:

- Securing capital for the construction of processing centers. We estimate the cost to develop each facility, including equipping the facility with the necessary equipment, to be between $1,000,000 and $2,000,000.

- Obtaining the necessary state and local licensure for each proposed facility.

- Securing initial licensing, processing or sales arrangements, as applicable, with growers and dispensaries. Such arrangements may result from marketing efforts, relationships within the industry or the CLS Consulting business.

- Constructing processing facilities. We anticipate that the construction of each facility can be completed in approximately four to six months after any applicable licensing and permitting requirements have been met. We currently anticipate, subject to the availability of adequate capital, that we will be able to open between two and three processing facilities within the next 24 months.

- Expanding per-facility capacity and increasing revenues. After a twelve-month ramp up period, we expect that each processing facility will be able to process, depending on size, between 2,000 to 5,000 pounds of cannabis per month, with the revenue generated therefrom varying state-by-state and facility-by-facility depending upon state law requirements and other factors.

- Developing a national brand of cannabis concentrates, which will be sold wholesale to dispensaries, through standardization of the testing, compliance and labeling process.

Marketing, Distribution and Customers

The medical marijuana industry is rapidly expanding and is expected to continue to expand as additional states legalize marijuana for medical use. Additionally, the recreational use of marijuana by adults is currently legal in four states and the District of Columbia and a number of states have decriminalized the use of marijuana in some fashion. As various states continue to legalize marijuana for medical and/or recreational use, the number of potential grower and dispensary clients is expected to increase accordingly.

As such, our initial target market consists of licensed cannabis growers and dispensaries. As 10-20% of the cannabis plants harvested by licensed growers are currently being converted to cannabinoid oil, growers are expected to immediately recognize the value added by our premier methods, which should generate higher profit margins by producing a higher yield of cannabinoid oil per pound of cannabis versus the methods that are currently being employed. As our competitive advantage is directly related to our proprietary extraction method and conversion process, and as the value of our services should be immediately recognizable, we intend to target licensed, operating growers and dispensaries with an immediate and substantial need for cannabis processing. Upon attaining significant market share among growers and dispensaries, we may also target pharmaceutical clientele and other potential customers.

In cases where we either purchase cannabis for processing or keep a portion of the converted cannabis in exchange for processing a larger amount of product for a grower, we will likely sell such processed product either to the grower or dispensary who sold or supplied us with the raw cannabis or sell the processed product to an unrelated distributor or dispensary. In some cases, we might also process the product and package it for a certain type of use, such as an edible, and sell the processed product to a licensed bakery.

Competition

The cannabinoid extraction business is extremely competitive. We will compete with numerous entities engaged in cannabinoid extraction and conversion, from large commercial enterprises to local "mom and pop" extractors that provide services and wholesale concentrates to local growers. Although many of our expected competitors enjoy established relationships with growers and dispensaries, we intend to differentiate our company by producing higher quality, tested and labeled products and generating a higher yield, and therefore higher profit margins, for growers and dispensaries. A significant challenge that we will encounter, however, is that the quality of cannabis products is not presently regulated or standardized. Products bear quality and concentration labels, but these labels may or may not be accurate or the result of scientific testing. As a result, we will have to educate the market about the value of our testing, compliance and labeling and the higher quality of the cannabinoid concentrates produced by our proprietary process as we cannot readily compare laboratory results of our products to other products on the market.

Trademarks and Other Intellectual Property

We have applied for United States federal trademarks for the names Cannabis Life Sciences and CLS Labs. Due to federal laws against the use of cannabis, we are uncertain whether any trademark that includes a reference to cannabis will issue. We have also acquired the Cannabis Life Science, Cannabis Life Sciences and CLS Labs domain names.

Our extraction and processing methods are proprietary, but we have no issued patents. We rely on a combination of confidentiality agreements and procedures as well as trademark and trade secret laws to protect our intellectual property rights. Our means of protecting our proprietary rights, however, may not be adequate. Despite our efforts, we may be unable to prevent or deter infringement or other unauthorized use of our intellectual property. Time-consuming and expensive litigation may be necessary in the future to enforce these intellectual property rights.

In addition, although we do not believe we are infringing on the rights of others, we cannot assure you that our intellectual property does not infringe the intellectual property rights of others, or will not in the future. If we become liable to third parties for infringing upon their intellectual property rights, we could be required to pay substantial damage awards and be forced to develop non-infringing methods and processes.

Regulation and Licensure

Despite 23 states and the District of Columbia having legalized or decriminalized marijuana use for medical purposes, the prescription, use and possession of marijuana remains illegal under federal law. As such, although we will only operate processing facilities in states that permit the possession, sale and use of cannabis, certain activities of our business, including the possession of cannabis for processing and the sale of cannabis concentrates, will be in violation of federal law. While state-licensed businesses engaged in such activities are currently proceeding largely free from federal prosecution and recently-enacted federal spending legislation prohibits the Department of Justice from using federal funds to prevent states from implementing their own marijuana laws, changes in congress or in the executive administration, including presidential elections, could result in changes to current federal enforcement policies regarding cannabis-related activities which are legal under certain state laws. Therefore, by operating the business, we will face the possibility of civil and criminal sanctions.

Additionally, certain states in which we seek to operate may prohibit non-resident companies from conducting business directly in the state. In such states, we will seek to enter into a collaborative arrangement with a local entity holding the necessary licensure, whereby we will agree to lease our facilities, equipment and employees to the licensed entity in exchange for a fee. Such an arrangement may be difficult to secure and/or expensive to maintain, as we will be reliant on the licensee to maintain its license in order to continue operations. Further, various state and local licensure application and approval processes may require significant time and expense, and, upon becoming authorized to do business in a state, it may be difficult or expensive for us to comply with the oft-changing laws, regulations and licensure requirements of each state and municipality where we are doing business.

We will need to obtain applicable state licenses in each state in which we will operate processing facilities. License requirements and procedures vary from state to state. The initial state in which we plan to operate is Colorado. Subsequently, we will likely seek to operate in Nevada and Washington.

Employees

We currently have two employees, Jeffrey Binder, who serves as the Chairman, President and Chief Executive Officer of the Company, and Michael Abrams, who serves as the Chief Operating Officer of the Company. We plan to hire a Chief Financial Officer, administrative staff, a lab manager and a consultant, for a total of approximately six employees. In addition, each processing facility will require six to eight employees, depending upon the size of the facility.

Properties

Our principal offices are located at 1435 Yarmouth Street, Boulder, Colorado 80304. We currently lease office and warehouse space located at 1955 South Quince Street, Denver, Colorado 80231, which is subleased to PRH pursuant to the Colorado Arrangement. We also maintain an administrative office at 3355 SW 59th Avenue, Miami, Florida 33155. We will lease additional properties in the states in which we conduct our operations as we open processing facilities.

Available Information

We voluntarily file certain reports under the Securities Exchange Act of 1934 (the "Exchange Act"). Such filings, including annual and quarterly reports, can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Stockholders may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. Stockholders can request copies of these documents upon payment of a duplicating fee by writing to the SEC. The reports we file with the SEC are also available on the SEC's website (http://www.sec.gov).

RISK FACTORS

Our business faces certain risks. The risks described below may not be the only risks we face. Additional risks that we do not yet know of or that we currently think are immaterial may also impair our business. If any of the events or circumstances described as risks below or elsewhere in this report actually occurs, our business, results of operations or financial condition could be materially and adversely affected.

Risks Related to the Marijuana Industry

Because the use, sale or possession of marijuana is illegal under federal law, the Company and its officers and employees could be subject to criminal and civil sanctions.

The U.S. Government classifies marijuana as a Schedule I controlled substance, meaning marijuana is an illegal substance under federal law and its prescription, use, sale or possession is a violation thereof. Although 23 states and the District of Columbia allow the use of medical marijuana, 4 states and the District of Columbia have legalized marijuana for adult recreational use, and recently-enacted federal spending legislation prohibits the Department of Justice from using federal funds to prevent states from implementing their own marijuana laws, the United States Supreme Court has ruled that federal laws criminalizing the use of marijuana pre-empt state laws. Thus, even if we limit our business to marijuana-friendly states, by possessing, distributing or even aiding others in distributing marijuana or marijuana-based products such as cannabinoid oils, the Company, its officers, directors and employees may face the prospect of criminal and/or civil sanctions for engaging in activities in violation of federal law and the Company could be at risk of civil and/or criminal forfeiture actions against its assets and operations for such violations. As our business plan depends upon the upon the possession, sale, and use of marijuana and certain cannabinoid extracts, such sanctions or forfeiture actions would be debilitating to the business of the Company and would have a material adverse effect on our operations.

Changes in federal law enforcement policy concerning federal marijuana laws could force a suspension or termination of our operations.

The commercial production, processing, distribution and sale of marijuana within the various states of the United States that have legalized these activities for medical and/or recreational purposes is currently proceeding largely free from federal investigation and prosecution as the result of a number of formal written statements issued by the United States Department of Justice deferring federal law enforcement action on these activities to state and local laws and law enforcement under certain circumstances and recently-enacted federal spending legislation prohibiting the Department of Justice from using federal funds to prevent states from implementing their own marijuana laws. The statements issued by the Department of Justice are, however, only guidelines provided to federal law enforcement agencies in setting priorities for the investigation and prosecution of violations of federal laws criminalizing marijuana and the effects of the federal spending legislation are not yet apparent.

Further, major changes in the executive administration, including presidential elections, particularly ones resulting in a change of political party holding the office of the President, could result in changes to, or even the withdrawal or reversal of, current federal law enforcement policy concerning the investigation and prosecution of activities involving marijuana including those which are legal under certain state laws. Likewise, there are no guarantees that legislation enacted in subsequent years will contain similar marijuana-friendly provisions. As our business plan depends upon the possession, sale, and use of marijuana and certain cannabinoid extracts, a change or reversal of federal law enforcement policy and/or federal spending legislation concerning marijuana would be debilitating to our business as it could result in a temporary suspension or the permanent cessation of our operations.

SEC and stock exchange policies and practices may impair the Company's ability to raise capital and develop a public market for its securities.

The ability of the Company to raise capital in the public markets is controlled by the rules, policies and practices of the SEC. Included within the SEC's broad authority over securities markets is the SEC's power to review proposed federal registrations of securities and to determine when and whether such registration statements will be declared effective, which allows a company to commence selling securities in the public markets. The SEC has expressed concern about allowing companies engaged in a marijuana related business to sell securities in the public markets if their businesses violate federal laws. If the Company's business is viewed by the SEC as one that violates federal law, the SEC might refuse to allow any registration statement filed by the Company to become effective, thereby denying the Company the ability to sell its securities in the public markets. Such action would also prevent the Company from registering its common stock for sale by selling securityholders, and thus would render meaningless registration rights of stockholders in the Company. Although the SEC recently declared the registration statement of a company involved in the marijuana industry effective, it did so in a manner that could discourage firm commitment underwritten offerings in the marijuana industry. This area of law and SEC policies with respect to it are relatively new and untested and could change with time either for the better or the worse. If the SEC prevents the Company from using, or limits the Company's access to, the public markets to raise capital, such action would have a material adverse effect on the Company.

An investor's ability to resell the Company's common stock will largely depend on the Company's ability to establish a secondary trading market for the common stock. At present, the Company's common stock is thinly traded on the OTC Bulletin Board. The Company hopes to be able to list its common stock on an exchange assuming it grows and meets the financial and other typical criteria for such a listing. The listing of securities on an exchange, however, is not a matter of right, subject only to satisfying published exchange requirements, but is also subject to the discretion of the exchange. The recognized exchanges may decline to list the securities of a company engaged in a marijuana related business, and at least one such exchange has indicated that it might take such action. If the Company is unable to have its securities listed on a recognized exchange, the Company's ability to develop a public market for its securities could be adversely impacted, which, in turn, could adversely affect the ability of stockholders to sell their securities at an optimal price or at all.

Even in states where the sale and use of recreational or medical marijuana is permitted, we may be unable to obtain a license and may have to rely on collaborative arrangements with licensed entities.

Certain states in which we seek to operate may prohibit non-resident companies from conducting business directly in the state and/or may require certain licensure, such as a Medical Marijuana Infused Product Manufacturer License (MMIP), for us to conduct our business. In such states, we may be required to enter into a collaborative arrangement with a local entity holding the necessary MMIP license, whereby we would agree to lease our facilities and employees to the licensed entity. Securing such an arrangement may be difficult to enter into and/or expensive to maintain. Additionally, our operations would be entirely dependent on the licensed entity's ability to maintain the required licenses, and a loss of licensure by the licensed entity would have a material adverse effect on our operations.

In states where we are permitted to operate directly, licensing requirements may be difficult and/or expensive to satisfy and maintain.

In states where we are permitted to operate directly, the licensure application and approval process may require significant time and expense. Additionally, upon becoming authorized to do business in a state, it may be difficult or expensive for us to comply with the various laws, regulations and licensure requirements of each state. Compliance may also include a subjective factor that could allow a state to revoke our MMIP license even though we believed we were complying with all applicable requirements. The loss of such an MMIP license for any reason would likely result in a material adverse effect on our operations.

In states where the sale and use of recreational or medical marijuana is permitted, local ordinances and regulations may adversely affect the Company and our strategic collaborators, such as growers and dispensaries.

In addition to the federal pre-emption and state law issues mentioned above, local laws and regulations may impact the Company and our strategic collaborators, such as growers and dispensaries, in jurisdictions where marijuana is legal under state law. Ordinances and regulations related to zoning, limiting the size of growers or levying exorbitant taxes and fees on marijuana-related businesses may have a material adverse effect on business and operations.

Laws and regulations affecting the regulated marijuana industry are constantly changing and we cannot predict the impact of future regulations.

Local, state and federal medical marijuana laws and regulations are broad in scope and subject to evolving interpretations. Legal or regulatory changes in the jurisdictions in which we operate or intend to operate may require us to incur substantial costs associated with compliance or alterations to our business plan. Further, violations of these ever-changing laws and regulations, or allegations of such violations, could disrupt our business and result in a material adverse effect on our operations.

Our ability to achieve significant financial success is dependent on additional states and local governments legalizing marijuana.

There can be no assurance that the number of states that allow the use of medical or recreational marijuana will increase and there can be no assurance that the 23 existing states that permit the medical use of marijuana will not reverse their position in the future. As our growth is dependent upon the continued legalization of marijuana for medical and recreational use, the failure of additional states and local governments to legalize marijuana would significantly curtail our growth potential.

The difficulty of the Company to obtain various insurances that are typically available to businesses may expose us to additional risk and financial liabilities.

Workers compensation, general liability, and directors and officers insurance, among other types of business-related insurance, may be more difficult and/or more expensive to secure due to our engagement in the marijuana industry. If we are forced to go without such insurance or pay a substantially higher premium than anticipated, we may be prevented from engaging in certain strategic collaborations or partnerships, our growth may be inhibited, and we may be exposed to additional risk and financial liabilities.

The Company and its clients, partners and strategic collaborators may have difficulty accessing the service of banks.

On February 14, 2014, the U.S. government issued rules allowing banks to legally provide financial services to state-licensed marijuana-related businesses. However, such guidance fell short of the explicit legal authorization that banking industry officials requested from the federal government. To date, it is unclear whether any banks have relied on the guidance and accepted marijuana-related companies as customers. If we, as well as our clients, partners and strategic collaborators, have difficulty accessing the service of banks, we may not have access to the capital necessary to maintain our operations or may be subject to the security risks of a cash business.

The market for our products is unproven.

While consumer demand for marijuana-based products is well established, consumer demand for marijuana e-cigarettes and other products utilizing cannabinoid extracts is unproven. Lack of acceptance by end users and/or the failure of distributors or customers to accept the price point of our products could have a material adverse effect on the Company and could prevent the Company from ever becoming profitable. Further, the cost of educating the market regarding marijuana e-cigarettes and other products utilizing cannabinoid extracts could prove to be unfeasible.

The medical marijuana industry faces strong opposition.

Well-funded, politically significant businesses may provide strong economic and political opposition to the medical marijuana industry and the industry could face a material threat from the pharmaceutical companies as marijuana continues to take market share from their products. Any inroads the pharmaceutical industry makes in halting or rolling back the medical marijuana movement could have a detrimental impact on the market for our products and thus on our business, operations and financial condition.

Financial Risks

CLS Labs is newly formed and has no operations.

CLS Labs was formed on May 1, 2014. Accordingly, the Company's operations are subject to all of the risks inherent with start-up business enterprises. CLS Labs has incurred continuous losses from operations since inception and had an accumulated deficit of $457,875 at December 31, 2015. The likelihood of the Company's success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the start-up and initial growth of a new business and the competitive and growing market in which the Company operates. The Company must be regarded as a high risk new and unproven venture with all the unforeseen costs, expenses, problems, and difficulties to which such ventures are subject. Neither the Company nor CLS Labs has revenues to date, and no assurance can be given that the Company will ever have enough revenues so as to be profitable. These factors, among others, indicate that we may be unable to continue as a going concern for a reasonable period of time.

We may never be profitable.

The Company has never earned a profit and may never become profitable. We expect to incur losses during the foreseeable future as we commence operations. There can be no assurance that we can implement our business plan, that we will become profitable, or that our securities will have any value.

We may encounter start-up delays.

We cannot project the timing of our initial sales following the Merger. Delays in establishing and implementing our management team, securing relationships with partners and strategic collaborators such as growers and dispensaries, building out facilities, developing products, finalizing sales and marketing structures and/or implementing other portions of the CLS Labs' business plan may delay start-up, which could negatively affect an investment in the Company.

We have not yet identified or hired a complete management, operations or sales and marketing team and if it takes longer than anticipated or if costs are more than anticipated to do so, we could be adversely affected.

We have not yet identified a complete management, sales or marketing team. As a result, aside from the directors and officers referenced in this current report, stockholders will not have the benefit of knowing the identities and backgrounds of such team members in making their investment decisions. In addition, we have estimated the compensation we will have to pay to recruit a qualified management, operations and sales and marketing team and have not engaged a compensation consultant or other professional to estimate such costs, but have relied solely on the judgment of its directors. If the budgeted compensation expense is not adequate to retain a qualified management, operations, and sales and marketing team, we may need to scale back other aspects of its proposed operations or we may need to raise additional capital to commence operations. In addition, if it takes longer than anticipated to recruit a qualified team, the commencement of operations could be delayed. All of these potential issues could have a material adverse impact on the Company.

Risks Related to Our Common Stock

"Penny Stock" rules may make buying or selling our securities difficult.

Trading in our securities is subject to the SEC's "penny stock" rules and it is anticipated that trading in our securities will continue to be subject to the penny stock rules for the foreseeable future. The SEC has adopted regulations that generally define a penny stock to be any equity security that has a market price of less than $5.00 per share, subject to certain exceptions. These rules require that any broker-dealer who recommends our securities to persons other than prior customers and accredited stockholders must, prior to the sale, make a special written suitability determination for the purchaser and receive the purchaser's written agreement to execute the transaction. Unless an exception is available, the regulations require the delivery, prior to any transaction involving a penny stock, of a disclosure schedule explaining the penny stock market and the risks associated with trading in the penny stock market. In addition, broker-dealers must disclose commissions payable to both the broker-dealer and the registered representative and current quotations for the securities they offer. The additional burdens imposed upon broker- dealers by such requirements may discourage broker-dealers from recommending transactions in our securities, which could limit the liquidity and adversely affect the market price for our common stock.

Our common stock is thinly traded, therefore, its price is subject to volatility.

Our securities are quoted on the OTCBB Market ("the OTC Markets"). The OTC Markets are inter-dealer, over-the-counter markets that provide significantly less liquidity than the NASDAQ Stock Market or other national or regional exchanges. Securities traded on these OTC markets are usually thinly traded, highly volatile, have fewer market makers and are not followed by analysts. The SEC's order handling rules, which apply to NASDAQ-listed securities, do not apply to securities quoted on the OTC Markets. Quotes for stocks included on the OTC Markets are not listed in newspapers. Therefore, prices for securities traded solely on the OTC Markets may be difficult to obtain and holders of our securities may be unable to resell their securities at or near their original acquisition price, or at any price.

Thinly traded, illiquid stock such as ours is more susceptible to significant and sudden price changes than stocks that are widely followed by the investment community and that are actively traded on an exchange. We currently do not intend to seek listing on an exchange, and even if we successfully list the common stock on a stock exchange, we nevertheless could not assure stockholders that an organized public market for our common stock would develop. Thus, we cannot assure stockholder that there will at any time in the future be an active trading market for our common stock. Stockholders should purchase shares for long-term investment only.

Our stock price may be volatile and you may not be able to sell your shares for more than what you paid.

Our stock price may be subject to significant volatility, and you may not be able to sell shares of common stock at or above the price you paid for them. The trading price of our common stock has been subject to fluctuations in the past and the market price of the common stock could continue to fluctuate in the future in response to various factors, including, but not limited to: quarterly variations in operating results; our ability to control costs and improve cash flow; announcements of innovations or new products by us or by our competitors; changes in investor perceptions; and new products or product enhancements by us or our competitors.

We are not registered under the Exchange Act, and, as a result, we are not required to make certain filings with the SEC which could contain information that is material to potential stockholders.

As a cost-savings measure during our initial operations, we have not registered our Common Stock under the Exchange Act. Therefore, we do not make certain filings with the SEC, such as proxy statements, and our insiders do not make filings with the SEC with respect to their purchase and sale of our securities, which filings would be required if we were be registered under the Exchange Act. These filings, if we made them, could contain certain information that is material to potential stockholders. Due to our registration for sale of shares of common stock owned by certain of our stockholders in August 2013, we were required to file annual, quarterly and current reports with the SEC through August 2014. Although we intend to continue to file annual, quarterly and current reports on a voluntary basis, we are no longer be required to file any reports with the SEC after that date unless we meet certain requirements that do not currently apply. As our business grows, we intend to apply for listing of our securities on an exchange and register our securities under the Exchange Act. At that time, we would make the additional filings and disclosures required by the Exchange Act; however, that can be no assurance when, if ever, we will complete such registration.

Our amended and restated articles of incorporation and bylaws could discourage acquisition proposals, delay a change in control or prevent other transactions.

Provisions of our amended and restated articles of incorporation and bylaws, as well as provisions of Nevada Corporation Law, may discourage, delay or prevent a change in control of the Company or other transactions that you as a stockholder may consider favorable and may be in your best interest. The amended and restated articles of incorporation and bylaws contain provisions that: authorize the issuance of shares of "blank check" preferred stock that could be issued by our board of directors to increase the number of outstanding shares and discourage a takeover attempt; limit who may call special meetings of stockholders; and require advance notice for business to be conducted at stockholder meetings, among other anti-takeover provisions.

Our directors have the authority to issue common and preferred shares without stockholder approval, and preferred shares can be issued with such rights, preferences, and limitations as may be determined by our board of directors. The rights of the holders of common stock will be subject to, and may be adversely affected by, the rights of any holders of preferred stock that may be issued in the future. We presently have no commitments or contracts to issue any shares of preferred stock. Authorized and unissued preferred stock could delay, discourage, hinder or preclude an unsolicited acquisition of our company, could make it less likely that stockholders receive a premium for their shares as a result of any such attempt, and could adversely affect the market prices of, and the voting and other rights, of the holders of outstanding shares of our common stock.

Our common stock is controlled by a group of affiliated stockholders.

Approximately 75.3% of our common stock is controlled by a group of affiliated stockholders. Such concentrated control of the Company may adversely affect the price of our common stock. Stockholders who acquire common stock may have no effective voice in the management of the Company. Sales by this group of stockholders, along with any other market transactions, could affect the market price of the common stock.

As a former shell company, the resale of shares of our restricted common stock in reliance on Rule 144 of the Securities Act is subject to the requirements of Rule 144(i).

Rule 144 under the Securities Act, which generally permits the resale, subject to various terms and conditions, of restricted securities after they have been held for six months will not immediately apply to our common stock because we were at one time a "shell company" under SEC regulations. Pursuant to Rule 144(i), securities issued by a current or former shell company that otherwise meet the holding period and other requirements of Rule 144 nevertheless cannot be sold in reliance on Rule 144 until one year after the date on which the issuer filed current "Form 10 information" (as defined in Rule 144(i)) with the SEC reflecting that it ceased being a shell company, and provided that at the time of a proposed sale pursuant to Rule 144, the issuer has satisfied certain reporting requirements under the Exchange Act. The filing of this current report on Form 8-K starts the running of such one year period. Because, as a former shell company, the reporting requirements of Rule 144(i) will apply regardless of holding period, restrictive legends on certificates for shares of our common stock cannot be removed except in connection with an actual sale that is subject to an effective registration statement under, or an applicable exemption from the registration requirements of, the Securities Act.

You may experience dilution of your ownership interests because of the future issuance of additional shares of our common stock.

In the future, we may issue our authorized but previously unissued equity securities, resulting in the dilution of the ownership interests of our present stockholders. We are currently authorized to issue an aggregate of 270,000,000 shares of capital stock consisting of 250,000,000 shares of common stock and 20,000,000 shares of preferred stock with preferences and rights to be determined by our board of directors. As of the Closing Date, there were 20,250,000 shares of our common stock and no shares of our preferred stock outstanding.

Any future issuance of our equity may dilute then-current stockholders' ownership percentages and could also result in a decrease in the fair market value of our equity securities, because our assets would be owned by a larger pool of outstanding equity. We may need to raise additional capital through public or private offerings of our common or preferred stock or other securities that are convertible into or exercisable for our common or preferred stock. We may also issue such securities in connection with hiring or retaining employees and consultants, as payment to providers of goods and services, in connection with future acquisitions or for other business purposes. Our board of directors may at any time authorize the issuance of additional common or preferred stock without common stockholder approval, subject only to the total number of authorized common and preferred shares set forth in our certificate of incorporation. The terms of equity securities issued by us in future transactions may be more favorable to new stockholder, and may include dividend and/or liquidation preferences, superior voting rights and the issuance of warrants or other derivative securities, which may have a further dilutive effect. Also, the future issuance of any such additional shares of common or preferred stock or other securities may create downward pressure on the trading price of the common stock. There can be no assurance that any such future issuances will not be at a price (or exercise prices) below the price at which shares of the common stock are then traded.

We have not obtained an Internal Revenue Service ("IRS") ruling with respect to the tax consequences of the Merger.

There are risks under the Internal Revenue Code of 1986 that must be considered by any potential investor, and an investment in the Company should be considered only after obtaining advice from an independent, professional adviser. We believe the Merger is a tax-free transaction, but we have not sought or obtained any rulings from the IRS, nor do we intend to seek such rulings in the future, with respect to the tax-free nature of the Merger.

Risks Relating to Competitive Factors

We compete in an industry characterized by extensive research and development efforts and rapid technological progress.

New developments occur and are expected to continue to occur at a rapid pace in the marijuana industry, and there can be no assurance that discoveries or commercial developments by our competitors will not render some or all of our potential products obsolete or non-competitive, which could have a material adverse effect on our business, financial condition and results of operations. We expect to compete with fully integrated and well-established companies in the near- and long-term. Most of these companies have substantially greater financial, manufacturing and marketing experience and resources than us and represent substantial long-term competition. Such companies may succeed in discovering and developing products and/or extraction processes more rapidly than us and may be more successful than us in manufacturing, sales and marketing.

Strategic collaborations may never materialize or may fail.

We intend to explore a variety of strategic collaborations with existing marijuana growers, dispensaries and related businesses. At the current time, we cannot predict what form such collaborations might take. We are likely to face significant competition in seeking appropriate strategic collaborators, and these strategic collaborations can be complicated and time consuming to negotiate and document. We may not be able to negotiate strategic collaborations on acceptable terms, or at all, and we are unable to predict when, if ever, we will enter into any such strategic collaborations due to the numerous risks and uncertainties associated with establishing strategic collaborations.

Risks relating to Intellectual Property Protection

If we are unable to protect the secrecy of our proprietary process and methods, we may not be able to compete effectively or operate profitably.

We do not have a patent on our proprietary process and methods. Therefore, our success will depend, in large part, on our ability to protect the secrecy of the process and methods. As we hire employees, enter into strategic collaborations and bring our products to market, maintaining this secrecy will become increasingly difficult. If competitors are made aware of our proprietary process and methods, they may be able to duplicate them or independently develop similar or alternative technologies without infringing on our intellectual property rights.

We may rely on trade secrets to protect our process and methods and may attempt to protect these trade secrets, in part, with confidentiality and non-disclosure agreements with our employees, consultants, partners, strategic collaborators and certain contractors, but there can be no assurance that these agreements will not be breached, that we would have adequate remedies for any breach, or that our trade secrets will not otherwise become known or be independently discovered by competitors. If our proprietary process, methods or related trade secrets become known to competitors, we may be unable to compete effectively, resulting in a material adverse effect on our business, financial condition and results of operations.

We may be subject to litigation with respect to the ownership and use of intellectual property that will be costly to defend or pursue and uncertain in its outcome.

Our success also will depend, in part, on refraining from infringing patents or otherwise violating intellectual property owned or controlled by others. Others may have filed patent applications or have received, or may obtain, issued patents in the United States or elsewhere relating to aspects of our extraction processes or methods, and they may institute litigation against us to protect their intellectual property rights. Such litigation, regardless of the merits, would be extremely expensive and detrimental to our operations. Additionally, it is uncertain whether the issuance of any third-party patents will require us to alter our products or processes, obtain licenses, or cease certain activities. If any licenses are required, there can be no assurance that we will be able to obtain any such licenses on commercially favorable terms, if at all, and if these licenses are not obtained, we might be prevented from pursuing the development and commercialization of certain of our potential products.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the financial information included elsewhere in this current report on Form 8-K, including the audited financial statements of CLS Labs for the period May 1, 2014 (inception) to September 30, 2014, the unaudited financial statements of CLS Labs for the three months ended December 31, 2014, and the related notes. This discussion includes forward-looking statements, as that term is defined in the federal securities laws, based upon current expectations that involve risks and uncertainties, such as plans, objectives, expectations and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors. Words such as "anticipate," "estimate," "plan," "continuing," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could," and similar expressions are used to identify forward-looking statements.

We caution you that these statements are not guarantees of future performance or events and are subject to a number of uncertainties, risks and other influences, many of which are beyond our control, which may influence the accuracy of the statements and the projections upon which the statements are based. Factors that may affect our results include, but are not limited to, the risk factors elsewhere in this current report on Form 8-K. Any one or more of these uncertainties, risks and other influences could materially affect our results of operations and whether forward-looking statements made by us ultimately prove to be accurate. Our actual results, performance and achievements could differ materially from those expressed or implied in these forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether from new information, future events or otherwise.

OVERVIEW AND OUTLOOK

The Company was incorporated on March 31, 2011 as Adelt Design, Inc. to manufacture and market carpet binding art. Production and marketing of carpet binding art never commenced, however, and the Company remained in the development stage. On November 20, 2014, the Company changed its name to CLS Holdings USA, Inc.

On the Closing Date, the Company, CLS Labs and the Merger Sub consummated the Merger, whereby the Merger Sub merged with and into CLS Labs, with CLS Labs remaining as the surviving entity. As a result of the Merger, we acquired the business of CLS Labs and abandoned our previous business. As such, only the financial statements of CLS Labs are included in this current report on Form 8-K.

CLS Labs was originally incorporated in the state of Nevada on May 1, 2014 under the name RJF Labs, Inc. before changing its name to CLS Labs, Inc. on October 24, 2014. It was formed to commercialize a proprietary method of extracting cannabinoids from cannabis plants and converting the resulting cannabinoid extracts into concentrates such as oils, waxes, edibles and shatter. These concentrates may be ingested in a number of ways, including through vaporization via electronic cigarettes ("e-cigarettes"), and used for a variety of pharmaceutical and other purposes. Internal testing of this extraction method and conversion process has revealed that it produces a cleaner, higher quality product and a significantly higher yield than the cannabinoid extraction processes currently existing in the marketplace.

On April 17, 2015, CLS Labs took its first step toward commercializing its proprietary methods and processes by, through its wholly owned subsidiary, CLS Labs Colorado, entering into the Colorado Arrangement, as described in the "Description of Business" herein. To date, CLS Labs has not otherwise commercialized its proprietary process and has not earned any revenues.

We intend to generate revenue through (i) the licensing of proprietary methods and processes, (ii) the processing of cannabis for others, and (iii) the purchase of cannabis and the processing and sale of cannabis-related products. We plan to accomplish this through the creation of joint ventures, through licensing agreements, and through fee-for-service arrangements with growers and dispensaries of cannabis products. We believe that we can establish a position as one of the premier cannabinoid extraction and processing companies in the industry. Assuming we do so, we then intend to explore the creation of our own brand of concentrates for consumer use, which we would sell wholesale to cannabis dispensaries. We believe that we can create a "gold standard" national brand by standardizing the testing, compliance and labeling of our products in an industry currently comprised of small, local businesses with erratic and unreliable product quality, testing practices and labeling. We also plan to offer consulting services through CLS Consulting, which will generate revenue by providing consulting services to cannabis-related businesses, including growers, dispensaries and laboratories, and driving business to our processing facilities.

CLS Labs had a net loss of $132,017 for the period May 1, 2014 (inception) to September 30, 2014, and a net loss of $325,858 for the three months ended December 31, 2014, resulting in an accumulated deficit as of December 31, 2014 of $457,875. These conditions raise substantial doubt about our ability to continue as a going concern following the Merger.

Results of Operations for the period May 1, 2014 (inception) to September 30, 2014

Revenues

CLS Labs had no revenues for the period May 1, 2014 (inception) to September 30, 2014.

General and administrative expenses

CLS Labs' general and administrative expenses were $24,096 for the period May 1, 2014 (inception) to September 30, 2014. General and administrative expenses consisted primarily of general office expenses, travel costs, costs related to the protection of intellectual property, and bank charges. We expect general and administrative expenses to increase following the Merger as we implement our business plan and operations expand.

Research and development

CLS Labs' research and development expenses were $32,769 for the period May 1, 2014 (inception) to September 30, 2014. Research and development expenses consisted of costs incurred to improve and commercialize CLS Labs' proprietary methods and processes for cannabinoid extraction and conversion. We expect research and development costs to increase as our business grows.

Professional fees

CLS Labs' professional fees were $50,152 for the period May 1, 2014 (inception) to September 30, 2014. Professional fees consisted primarily of legal, investor relations, and business development services. We expect professional fees to increase in future periods as our business grows.

Commissions

CLS Labs' commissions were $25,000 for the period May 1, 2014 (inception) to September 30, 2014. Commissions consisted of fees related to CLS Labs' eventual acquisition of a controlling interest in the Company. We expect such commissions to decrease in future periods due to the completion of the Merger.

Net loss

For the reasons above, CLS Labs' net loss for the period May 1, 2014 (inception) to September 30, 2014 was $132,017.

Results of Operations for the three months ended December 31, 2014

Revenues

CLS Labs had no revenues for the three months ended December 31, 2014.

General and administrative expenses

CLS Labs' general and administrative expenses were $325,858 for the three months ended December 31, 2014. General and administrative expenses consisted of $55,000 related to the acquisition of a controlling interest in the Company; $166,743 in professional fees related to legal, investor relations, and business development services; $75,000 in officer salaries; and $29,115 in other general and administrative expenses. We expect general and administrative expenses to increase following the Merger as we implement our business plan and operations expand.

Net loss

For the reasons above, CLS Labs' net loss for the three months ended December 31, 2014 was $325,858.

Liquidity and Capital Resources

The following table summarizes CLS Labs' current total assets, liabilities and working capital at September 30, 2014 and at December 31, 2014.

	September 30, 2014	December 31, 2014
Current Assets	$ 882,599	$ 344,303
Current Liabilities	$ 16,686	$ 86,722
Working Capital (Deficit)	$ 865,913	$ 257,581

At December 31, 2014, CLS Labs had $257,581 in working capital. This working capital was primarily the remainder of an aggregate contribution to CLS Labs of $1,000,000 by Jeffrey Binder and Frank Koretsky upon its inception and should not be viewed as an indicator of future performance. CLS Labs has operated at a loss since its inception. Following the Merger, we will require significant additional financing to cover our projected cash flow deficits due to the Colorado Arrangement and related agreements, the implementation of our business plan, and the development of alternative revenue sources. We intend to fund our cash flow requirements by obtaining loans and from the proceeds of the sale of equity. We have not yet obtained any loans or received any indications of interest in making us a loan and we have not yet begun the capital raising process, so there can be no assurances that we will be able to meet our capital needs and there remains substantial doubt about our ability to continue as a going concern.

During the next 18-24 months, we plan to construct and open two to three processing facilities for use either by a licensee or by us directly. We anticipate that the build out and opening of each processing facility will require between $1,000,000 and $2,000,000 in capital, with additional capital required for liquidity to cover personnel, equipment, and other operating expenses with respect to each opened facility.

We anticipate that we will also devote significant resources to research and development related to the refinement of our proprietary methods and processes and development of new products. We estimate research and development costs of between $50,000 and $100,000 during the next 12 months.

We currently have two employees, Jeffrey Binder, who serves as the Chairman, President and Chief Executive Officer of the Company, and Michael Abrams, who serves as the Chief Operating Officer of the Company. We plan to hire a Chief Financial Officer, administrative staff, a lab manager and a consultant, for a total of approximately six employees. In addition, each processing facility that we operate directly will require six to eight employees, depending upon the size of the facility. We intend to use the services of independent consultants and contractors to perform various professional services when appropriate. We believe the use of third-party service providers may enhance our ability to control general and administrative expenses and operate efficiently as we implement our business plan. Currently, there are no organized labor agreements or union agreements and we do not anticipate any in the future. We are unable to estimate the cost of additional personnel at this time, but we expect such costs to be significant.

We do not currently have the capital necessary to fund our capital requirements or implement our business plan. We intend to fund such capital requirements and liquidity needs through loans, the proceeds of the sale of equity, and cash generated from operations in connection with the Colorado Arrangement. We have not yet obtained any loans or received any indications of interest in making us a loan and we have not yet begun the capital raising process, so there can be no assurances that we will be able to meet our capital needs. We have not yet generated any revenue through the Colorado Agreement, but we anticipate that the initial payments under the Licensing Agreement and Equipment Lease will be received within the next thirty (30) days. We anticipate that we will incur operating losses during the next twelve months.

Going concern

CLS Labs' financial statements were prepared using accounting principles generally accepted in the United States of America applicable to a going concern, which contemplate the realization of assets and liquidation of liabilities in the normal course of business. CLS Labs has incurred continuous losses from operations since inception, has an accumulated deficit of $457,875, and had working capital of $257,581 at December 31, 2014. In addition, we do not currently have the cash resources to meet our post-merger operating commitments during the next twelve months. Our ability to continue as a going concern must be considered in light of the problems, expenses, and complications frequently encountered by developmental stage companies.

Our ability to continue as a going concern is dependent on our ability to generate sufficient cash from operations to meet our cash needs, to borrow capital and to raise equity to support the opening of additional processing facilities and to finance ongoing operations. There can be no assurance, however, that we will be successful in our efforts to raise additional debt or equity capital and/or that our cash generated by our future operations will be adequate to meet our needs. These factors, among others, indicate that we may be unable to continue as a going concern for a reasonable period of time.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results or operations, liquidity, capital expenditures or capital resources that are material to stockholders.

Recently Issued Accounting Standards

In June 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-10, "Development Stage Entities". The amendments in this update remove the definition of a development stage entity from the Master Glossary of the ASC thereby removing the financial reporting distinction between development stage entities and other reporting entities from U.S. GAAP. In addition, the amendments eliminate the requirements for development stage entities to (1) present inception-to-date information in the statements of income, cash flows, and stockholder equity, (2) label the financial statements as those of a development stage entity, (3) disclose a description of the development stage activities in which the entity is engaged, and (4) disclose in the first year in which the entity is no longer a development stage entity that in prior years it had been in the development stage. The amendments in this update are applied retrospectively. The adoption of ASU 2014-10 removed the development stage entity financial reporting requirements from the Company.

In June 2014, FASB issued Accounting Standards Update (ASU) No. 2014-12, Compensation – Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period. The new guidance requires that share-based compensation that require a specific performance target to be achieved in order for employees to become eligible to vest in the awards and that could be achieved after an employee completes the requisite service period be treated as a performance condition. As such, the performance target should not be reflected in estimating the grant-date fair value of the award. Compensation costs should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the period(s) for which the requisite service has already been rendered. If the performance target becomes probable of being achieved before the end of the requisite service period, the remaining unrecognized compensation cost should be recognized prospectively over the remaining requisite service period. The total amount of compensation cost recognized during and after the requisite service period should reflect the number of awards that are expected to vest and should be adjusted to reflect those awards that ultimately vest. The requisite service period ends when the employee can cease rendering service and still be eligible to vest in the award if the performance target is achieved. This new guidance is effective for fiscal years and interim periods within those years beginning after December 15, 2015. Early adoption is permitted. Entities may apply the amendments in this update either (a) prospectively to all awards granted or modified after the effective date or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. The adoption of ASU 2014-12 is not expected to have a material impact on our financial position or results of operations.

In June 2014, the FASB issued ASU No. 2014-10: Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation, to improve financial reporting by reducing the cost and complexity associated with the incremental reporting requirements of development stage entities. The amendments in this update remove all incremental financial reporting requirements from U.S. GAAP for development stage entities, thereby improving financial reporting by eliminating the cost and complexity associated with providing that information. The amendments in this Update also eliminate an exception provided to development stage entities in Topic 810, Consolidation, for determining whether an entity is a variable interest entity on the basis of the amount of investment equity that is at risk. The amendments to eliminate that exception simplify U.S. GAAP by reducing avoidable complexity in existing accounting literature and improve the relevance of information provided to financial statement users by requiring the application of the same consolidation guidance by all reporting entities. The elimination of the exception may change the consolidation analysis, consolidation decision, and disclosure requirements for a reporting entity that has an interest in an entity in the development stage. The amendments related to the elimination of inception-to-date information and the other remaining disclosure requirements of Topic 915 should be applied retrospectively except for the clarification to Topic 275, which shall be applied prospectively. For public companies, those amendments are effective for annual reporting periods beginning after December 15, 2014, and interim periods therein. Early adoption is permitted. The adoption of ASU 2014-10 is not expected to have a material impact on our financial position or results of operations.

In July 2013, FASB issued ASU No. 2013-11, “Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists.” The provisions of ASU No. 2013-11 require an entity to present an unrecognized tax benefit, or portion thereof, in the statement of financial position as a reduction to a deferred tax asset for a net operating loss carryforward or a tax credit carryforward, with certain exceptions related to availability. ASU No. 2013-11 is effective for interim and annual reporting periods beginning after December 15, 2013. The adoption of ASU No. 2013-11 did not have a material impact on our Consolidated Financial Statements. In February 2013, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2013-02, *Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income*, to improve the transparency of reporting these reclassifications. Other comprehensive income includes gains and losses that are initially excluded from net income for an accounting period. Those gains and losses are later reclassified out of accumulated other comprehensive income into net income. The amendments in the ASU do not change the current requirements for reporting net income or other comprehensive income in financial statements.

All of the information that this ASU requires already is required to be disclosed elsewhere in the financial statements under U.S. GAAP. The new amendments will require an organization to:

- Present (either on the face of the statement where net income is presented or in the notes) the effects on the line items of net income of significant amounts reclassified out of accumulated other comprehensive income - but only if the item reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period; and

- Cross-reference to other disclosures currently required under U.S. GAAP for other reclassification items (that are not required under U.S. GAAP) to be reclassified directly to net income in their entirety in the same reporting period. This would be the case when a portion of the amount reclassified out of accumulated other comprehensive income is initially transferred to a balance sheet account (e.g., inventory for pension-related amounts) instead of directly to income or expense.

The amendments apply to all public and private companies that report items of other comprehensive income. Public companies are required to comply with these amendments for all reporting periods (interim and annual). The amendments are effective for reporting periods beginning after December 15, 2012, for public companies. Early adoption is permitted. The adoption of ASU No. 2013-02 did not have a material impact on our financial position or results of operations.

In January 2013, the FASB issued ASU No. 2013-01, Balance Sheet (Topic 210): Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities, which clarifies which instruments and transactions are subject to the offsetting disclosure requirements originally established by ASU 2011-11. The new ASU addresses preparer concerns that the scope of the disclosure requirements under ASU 2011-11 was overly broad and imposed unintended costs that were not commensurate with estimated benefits to financial statement users. In choosing to narrow the scope of the offsetting disclosures, the Board determined that it could make them more operable and cost effective for preparers while still giving financial statement users sufficient information to analyze the most significant presentation differences between financial statements prepared in accordance with U.S. GAAP and those prepared under IFRSs. Like ASU 2011-11, the amendments in this update were effective for fiscal periods beginning on, or after January 1, 2013. The adoption of ASU 2013-01 did not have a material impact on our financial position or results of operations.

SECURITIES OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information with respect to the beneficial ownership of our common stock as of April 29, 2015 by (i) each stockholder known by us to be the beneficial owner of more than 5% of our common stock, (ii) each of our directors and executive officers, and (iii) all of our directors and executive officers as a group. Our only class of voting securities is our common stock. To the best of our knowledge, except as otherwise indicated, each of the persons named in the table has sole voting and investment power with respect to the shares of our common stock beneficially owned by such person, except to the extent such power may be shared with a spouse. To our knowledge, none of the shares listed below are held under a voting trust or similar agreement. To our knowledge, there are no pending arrangements, including any pledges by any person of securities of the Company, the operation of which may at a subsequent date result in a change in control of the Company.

Unless otherwise indicated in the following table, the address for each person named in the table is c/o CLS Holdings USA, Inc., 11767 S. Dixie Hwy, Suite 115, Miami, FL 33156.

Name and Address of Beneficial Owner[1]	Amount and Nature of Beneficial Ownership[2]	Percentage of Class[3]
Jeffrey I. Binder	5,000,000	24.7%
Raymond Keller	5,000,000	24.7%
Frank Koretsky	5,000,000	24.7%
Michael Abrams	250,000	1.2%
All directors and executive officers as a group (3 persons)	10,250,000	50.6%

1 Except as otherwise indicated, the persons named in this table have sole voting, investment and dispositive power with respect to all shares of common stock listed.

2 Reflects the extinguishment of the 6,250,000 (post Reverse Split) shares of Common Stock owned by CLS Labs and the issuance of 15,000,000 shares of Common Stock to the stockholders of CLS Labs in connection with the Merger and the issuance of 250,000 shares of Common Stock to Michael Abrams pursuant to his employment agreement, as amended. Excludes any impact of stock options expected to be issued in connection with employment agreements for Mr. Binder and Mr. Abrams.

3 Percentages are based upon 20,250,000 shares of our common stock outstanding as of the Closing Date.

DIRECTORS AND EXECUTIVE OFFICERS

Below are the names of and certain information regarding the Company's current executive officers and directors:

Name	Age	Title	Term Expires
Jeffrey Binder	68	Chairman, President, Chief Executive Officer and Director	2017
Frank Koretsky	63	Director	2016
Michael Abrams	38	Chief Operating Officer	--

Our amended and restated articles of incorporation provide that the board of directors be divided into three classes with each class serving a staggered three-year term. Initially, the term of Class I expires at our 2015 annual meeting, the term of Class II expires at our 2016 annual meeting, and the term of Class III expires at our 2017 annual meeting. Frank Koretsky serves as the sole member of Class II and Jeffrey Binder serves as the sole member of Class III. Class I is currently unrepresented. It is anticipated that at our 2015 annual meeting, a director will be elected by the stockholders to serve as the sole member of Class I until the annual meeting to be held in 2018. Executive officers are appointed by the Board of Directors and serve at its pleasure.

The principal occupation and business experience during at least the past five years for each of our executive officers and directors is as follows:

Jeffrey Binder, Chairman, President, Chief Executive Officer and Director

Jeffrey Binder was one of the individuals who founded CLS Labs in 2014 and he has served as its Chairman, President, Chief Executive Officer and a director from inception until the consummation of the Merger. Upon CLS Labs acquiring control of the Company on November 12, 2014, Mr. Binder was appointed Chairman, President, Chief Executive Officer and a director of the Company. He continues to serve in these roles for the Company following the Merger. Since 2008, Mr. Binder has served as founder, Chairman and President of Power 3 Network, Inc., a company that develops websites and back offices for home-based businesses. In 2003, Mr. Binder founded Infinity 8, Inc., a software development company, where he served as its Chairman, Treasurer and a director until 2011. In addition to his employment history, Mr. Binder has invested in and mentored several start-up and mid-stage companies, through his private holding company, JeMJ Financial Services, Inc., which he formed in 1988 and for which he serves as Chairman, President and a director. Through JeMJ, Mr. Binder invested in GGL Industries, Inc., a private holding company that owned Sterling Yacht and Classic Motor Carriages, as well as various other companies, as had extensive real estate holdings. Mr. Binder received his Juris Doctorate from the National Law Center, George Washington University, in 1971, where he received the honor of membership in the Order of the Coif. He also served as a legislative assistant to Adlai Stevenson II, a United States Senator for Illinois, and practiced Law at Sonnenschein Nath & Rosenthal, LLP, Chicago, Illinois for five years.

Frank Koretsky, Director

Frank Koretsky was a founder and a director of CLS Labs. Upon consummation of the Merger, Mr. Koretsky was appointed a director of the Company. It is expected that Mr. Koretsky will also serve as a consultant to the Company following the Merger. Since 1995, Mr. Koretsky has served as the President of East Coast News Corp., a leading company in the adult product distribution industry. As a result of Mr. Koretsky's business experience, he brings a strong background in management, marketing and branding to the Company.

Michael Abrams, Chief Operating Officer

Mr. Abrams joined CLS Labs as its Chief Operating Officer in October 2014. Shortly after CLS Labs acquired control of the Company on November 12, 2014, Mr. Abrams was appointed Chief Operating Officer of the Company and he continues to serve in that role. Mr. Abrams has been a leader in the medical marijuana industry since 2011. Prior to joining CLS Labs, Mr. Abrams served as President and Chief Executive Officer of CannAdvantage, Inc., a medical marijuana consulting company, from March 2014 to October 2014. In such capacity, Mr. Abrams and his team of experts consulted with companies across the country regarding the “seed to sale” business model and the opening of marijuana cultivation and production facilities. Between July 2012 and October 2014, Mr. Abrams served as general manager of Ancient Alternatives, LLC, and as general manager of Green Tree Medical, LLC, each a marijuana dispensary company. Between July 2011 and November 2013, Mr. Abrams served as the founder and general manager of Bolder Ventures, LLC, which operated a marijuana center and cultivation facility in Boulder, Colorado. From 2009 to 2011, Mr. Abrams was a self-employed securities trader. Mr. Abrams, who graduated from Eckerd College in 1999 with a Bachelor's degree in Arts and Business Management, also holds an interest in several Colorado real estate ventures that have a connection to the marijuana industry.

EXECUTIVE COMPENSATION

Summary Compensation Tables

The following table sets forth information concerning the compensation earned by our former sole officer and director for the years ended May 31, 2013 and 2014, respectively.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Larry Adelt, Former President and Chief Executive Officer[1]	2014	-	-	-	-	-	-	-
	2013	-	-	-	-	-	-	-

1 Mr. Adelt resigned as an officer and director of the Company on November 12, 2014 following the sale of all of his shares of common stock in the Company to CLS Labs. On the same date, Jeffrey Binder was appointed Chairman, President and Chief Executive Officer of the Company. To date, Mr. Binder has not received any compensation from the Company for serving as an officer or director.

The following table sets forth information concerning the compensation earned by CLS Labs' sole officer and director for the fiscal year ended September 30, 2014.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Jeffrey Binder, Chairman, President and Chief Executive Officer	2014	-	-	-	-	-	-	-

Employment Agreements

CLS Labs and Jeffrey Binder entered into a five-year employment agreement effective October 1, 2014. Under the agreement, Mr. Binder serves as CLS Labs' Chairman, President and Chief Executive Officer and is entitled to receive an annual salary of $150,000. Under the agreement, Mr. Binder is also entitled to receive a performance bonus equal to 2% of CLS Labs' annual EBITDA, up to a maximum annual cash compensation of $1 million (including his base salary), and annual stock options, exercisable at the fair market value of CLS Labs' common stock on the date of grant, in an amount equal to 2% of its annual EBITDA up to $42.5 million and 4% of its annual EBITDA in excess of $42.5 million.

On April 28, 2015, Mr. Binder, CLS Labs and the Company entered into an addendum to Mr. Binder's employment agreement whereby Mr. Binder agreed that following the Merger, in addition to his obligations to CLS Labs, he will serve the Company and its subsidiaries in such roles as the Company may request. In exchange, the Company agreed to assume the obligations of CLS Labs to grant Mr. Binder annual stock options, as referenced above. Mr. Binder will continue to receive an annual salary of $150,000 from CLS Labs for serving as its Chairman, President and Chief Executive Officer.

CLS Labs and Michael Abrams entered into a five-year employment agreement effective October 1, 2014. Under the agreement, Mr. Abrams serves as CLS Labs' Chief Operating Officer and is entitled to receive an annual salary of $150,000. Under the agreement, Mr. Abrams is also entitled to receive a performance bonus equal to 2% of CLS Labs' annual EBITDA, up to a maximum annual cash compensation of $1 million (including his base salary), and annual stock options, exercisable at the fair market value of CLS Labs' common stock on the date of grant, in an amount equal to 2% of its annual EBITDA up to $42.5 million and 4% of its annual EBITDA in excess of $42.5 million. Additionally, Mr. Abrams is entitled to a one-time signing bonus of 250,000 shares of common stock of CLS Labs.

On April 28, 2015, Mr. Abrams, CLS Labs and the Company entered into an addendum to Mr. Abrams's employment agreement whereby Mr. Abrams agreed that following the Merger, in addition to his obligations to CLS Labs, he will serve the Company and its subsidiaries in such roles as the Company may request. In exchange, the Company agreed to assume the obligations of CLS Labs to grant Mr. Abrams annual stock options, as referenced above, and agreed to issue Mr. Abrams 250,000 shares of the Company's common stock upon the consummation of the Merger in lieu of CLS Labs' signing bonus obligations. Mr. Abrams will continue to receive an annual salary of $150,000 from CLS Labs for serving as its Chief Operating Officer.

Outstanding Equity Awards at Fiscal Year Ended May 31, 2014

The Company has never issued equity awards. As such, there were no outstanding stock options or other equity awards at May 31, 2014.

Director Compensation

Prior to the Merger, the Company did not pay its directors any compensation for services on its board of directors. Following the consummation of the Merger, our directors will be entitled to receive compensation to be determined by the board of directors.

Board of Directors and Corporate Governance

Upon the closing of the Merger, Frank Koretsky was appointed to our board of directors. The board of directors currently consists of two (2) members and is divided into three classes with each class of directors serving a staggered three-year term. Frank Koretsky holds office until our 2016 annual meeting and Jeffrey Binder holds office until our 2017 annual meeting.

Board Independence and Committees

We are not currently listed on any national securities exchange or quoted on an inter-dealer quotation system that has a requirement that certain of the members of the board of directors be independent. In evaluating the independence of its members and the composition of the committees of the board of directors, the board of directors utilizes the definition of "independence" developed by the Nasdaq Stock Market and in SEC rules, including the rules relating to the independence standards in audit committee members and the non-employee director definition of Rule 16b-3 promulgated under the Exchange Act. The board of directors has determined that none of its current members is independent.

The board of directors expects to continue to evaluate whether and to what extent the members of the board of directors are independent. The Company intends to appoint persons to the board of directors who will meet the corporate governance requirements imposed by a national securities exchange. Therefore, the Company expects that in the future a majority of its directors will be independent directors of which at least one director will qualify as an "audit committee financial expert," within the meaning of SEC rules.

Additionally, the board of directors expects to appoint an audit committee, governance committee and compensation committee and to adopt charters relative to each such committee in the future.

Code of Ethics

As we are not currently registered under the Exchange Act, we are not required to have adopted a written code of ethics. Nevertheless, the board of directors expects to adopt a code of ethics that is reasonably designed to deter wrongdoing and promote honest and ethical conduct; provide full, fair, accurate, timely and understandable disclosure in public reports; comply with applicable laws; ensure prompt internal reporting of code violations; and provide accountability for adherence to the code.

MARKET PRICE OF AND DIVIDENDS ON COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company was initially incorporated on March 31, 2011 as Adelt Design, Inc. Effective August 21, 2013, our common stock became eligible for quotation on the OTC Bulletin Board under the symbol ADSN. On November 12, 2014, CLS Labs acquired 6,250,000 (post Reverse Split) shares, or 55.6%, of the outstanding common stock of the Company from its founder, Larry Adelt. As a condition to CLS Labs' purchase of these shares, and pursuant to five stock purchase agreements each dated November 12, 2014, five people or entities unaffiliated with the Company purchased an aggregate of 4,984,376 (post Reverse Split) shares of common stock in the Company from twenty-four stockholders other than Mr. Adelt. The total number of shares acquired by these five purchasers represented 44.3% of the Company's outstanding shares of common stock. On November 20, 2014, we adopted amended and restated articles of incorporation therein changing the Company's name to CLS Holdings USA, Inc. Effective December 10, 2014, we changed our stock symbol to "CLSH" to reflect the name change of the Company. Our common stock is currently eligible for quotation on the OTC Bulletin Board under the symbol "CLSH". There has been very limited trading in our common stock to date. As of the date of this current report, we have 20,250,000 shares of common stock outstanding held by approximately 11 stockholders of record. We have no outstanding shares of preferred stock.

Dividend Policy

We have never paid any cash dividends on our capital stock and do not anticipate paying any cash dividends on our common stock in the foreseeable future. We intend to retain future earnings to fund ongoing operations and future capital requirements. Any future determination to pay cash dividends will be at the discretion of our board of directors and will be dependent upon financial condition, results of operations, capital requirements and such other factors as the board of directors deems relevant.

Securities Authorized for Issuance under Equity Compensation Plans

Plan Category	Number of shares to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of shares remaining available for future issuance under equity compensation plans (excluding shares reflected in the first column)
Equity compensation plans approved by security holders	--	--	--
Equity compensation plans not approved by security holders	---	--	(1)
Total	--		--

1 Pursuant to their respective employment agreements, as amended, Jeffrey Binder and Michael Abrams are entitled to receive annual stock options, exercisable at the fair market value of our common stock on the date of grant, in an amount equal to 2% of our annual EBITDA up to $42.5 million and 4% of our annual EBITDA in excess of $42.5 million. We are currently unable to determine the number of shares that could be granted under these plans.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Employment Agreements

CLS Labs and Jeffrey Binder entered into a five-year employment agreement effective October 1, 2014. Under the agreement, Mr. Binder serves as CLS Labs' Chairman, President and Chief Executive Officer and is entitled to receive an annual salary of $150,000. Under the agreement, Mr. Binder is also entitled to receive a performance bonus equal to 2% of CLS Labs' annual EBITDA, up to a maximum annual cash compensation of $1 million (including his base salary), and annual stock options, exercisable at the fair market value of CLS Labs' common stock on the date of grant, in an amount equal to 2% of its annual EBITDA up to $42.5 million and 4% of its annual EBITDA in excess of $42.5 million.

On April 28, 2015, Mr. Binder, CLS Labs and the Company entered into an addendum to Mr. Binder's employment agreement whereby Mr. Binder agreed that following the Merger, in addition to his obligations to CLS Labs, he will serve the Company and its subsidiaries in such roles as the Company may request. In exchange, the Company agreed to assume the obligations of CLS Labs to grant Mr. Binder annual stock options, as referenced above. Mr. Binder will continue to receive an annual salary of $150,000 from CLS Labs for serving as its Chairman, President and Chief Executive Officer.

CLS Labs and Michael Abrams entered into a five-year employment agreement effective October 1, 2014. Under the agreement, Mr. Abrams serves as CLS Labs' Chief Operating Officer and is entitled to receive an annual salary of $150,000. Under the agreement, Mr. Abrams is also entitled to receive a performance bonus equal to 2% of CLS Labs' annual EBITDA, up to a maximum annual cash compensation of $1 million (including his base salary), and annual stock options, exercisable at the fair market value of CLS Labs' common stock on the date of grant, in an amount equal to 2% of its annual EBITDA up to $42.5 million and 4% of its annual EBITDA in excess of $42.5 million. Additionally, Mr. Abrams is entitled to a one-time signing bonus of 250,000 shares of common stock of CLS Labs.

On April 28, 2015, Mr. Abrams, CLS Labs and the Company entered into an addendum to Mr. Abrams's employment agreement whereby Mr. Abrams agreed that following the Merger, in addition to his obligations to CLS Labs, he will serve the Company and its subsidiaries in such roles as the Company may request. In exchange, the Company agreed to assume the obligations of CLS Labs to grant Mr. Abrams annual stock options, as referenced above, and agreed to issue Mr. Abrams 250,000 shares of the Company's common stock upon the consummation of the Merger in lieu of CLS Labs' signing bonus obligations. Mr. Abrams will continue to receive an annual salary of $150,000 from CLS Labs for serving as its Chief Operating Officer.

CLS Labs and CLS Consulting

On May 1, 2014, Jeffrey Binder and Frank Koretsky each purchased 100 shares of the common stock of CLS Labs for $500,000. Raymond Keller received 100 shares of the common stock of CLS Labs in exchange for certain intellectual property contributions. Upon consummation of the Merger, Messrs. Binder, Koretsky and Keller each received 5,000,000 shares, or 24.7%, of the common stock of the Company, in exchange for their respective shares of the common stock of CLS Labs.

CLS Consulting, a newly-formed Florida limited liability company owned by the Company, intends to enter into an agreement with Michael Abrams pursuant to which Mr. Abrams will receive a forty nine percent (49%) ownership interest in CLS Consulting in exchange for the assignment by Mr. Abrams to CLS Consulting of certain consulting agreements. In addition to issuing Mr. Abrams the above-reference ownership interest in CLS Consulting, CLS Consulting will pay Mr. Abrams a one-time fee in an amount equal to fifty percent (50%) of the aggregate amount due under the consulting agreements he assigns to CLS Consulting during the twelve (12) months immediately following their assignment to CLS Consulting.

Anticipated Consulting Agreements

The Company and Frank Koretsky plan to enter into a consulting agreement. Pursuant to the agreement, which will have a term of three years, Mr. Korestky will be paid between $100,000 and $150,000 per annum for performing certain consulting services related to marketing, branding, new product development and business development.

The Company and Raymond Keller also plan to enter into a consulting agreement. Pursuant to the agreement, which will have a term of three years, Mr. Keller will be paid between $100,000 and $150,000 per annum for performing certain consulting services including supervising the opening of labs, training the lab manager and staff in CLS Labs' proprietary process for extracting oil from cannabinoids, and periodically inspecting lab operations.

Pre-Merger Transactions

On April 19, 2011, Larry Adelt, the Company's founder, former President and Chief Executive Officer, loaned the Company an advance of $100 in cash, which was recorded as a current liability as of May 31, 2011. The loan was non-interest bearing and due on demand. On November 12, 2014, Mr. Adelt confirmed that the Company's $100 debt had been satisfied.

On August 15, 2013, the Company registered for sale 8,000,000 (5,000,000 post- Reverse Split) shares of common stock of the Company owned by Larry Adelt pursuant to the Company's Registration Statement declared effective by the SEC on August 21, 2013. Larry Adelt sold 8,000,000 (5,000,000 post Reverse Split) shares of his common stock at a price of $0.001 per share pursuant to the Registration Statement.

During the years ended May 31, 2013 and 2014, the Company issued unsecured notes in the aggregate amount of $161 and $4,999, respectively, to BK Consulting to fund its operations. The unsecured notes bore interest at a rate of 8% annually and were due on demand. Additionally, from inception through November 3, 2014, the Company issued unsecured convertible notes in the aggregate amount of $28,057 to BK Consulting and used the proceeds to fund its operations. The unsecured convertible notes were non-interest bearing, due on demand and convertible into common stock at a rate $0.002 per share. On November 11, 2014, BK Consulting forgave all outstanding loans, promissory notes and other indebtedness of the Company to BK Consulting, including, but not limited to, all amounts owed pursuant to the above-referenced unsecured notes and convertible notes.

On November 12, 2014, Larry Adelt, the Company's founder, former President and Chief Executive Officer, sold all of his 10,000,000 (6,250,000 post Reverse Split) shares of common stock in the Company to CLS Labs for $295,250 in a private transaction.

DESCRIPTION OF CAPITAL STOCK

Authorized Capital Stock

Our authorized capital stock consists of 250,000,000 shares of common stock, par value $0.0001 per share and 20,000,000 shares of preferred stock, par value $0.001 per share.

Issued and Outstanding Capital Stock

Effective December 10, 2014, we effected the Reverse Stock Split of the 18,000,000 shares of our common stock then issued and outstanding at a ratio of 1-for-0.625. Pursuant to the Reverse Stock Split, 0.625 shares of our common stock were issued to the stockholders who owned our common stock on December 1, 2014, the record date for the Reverse Stock Split, in exchange for each share of our common stock issued and outstanding on that date. Following the Reverse Stock Split, 11,250,000 shares of our common stock are issued and outstanding. The Reverse Stock Split did not affect the number of our authorized shares of common stock.

Immediately after giving effect to the Merger, the extinguishment of 6,250,000 shares of our common stock owned by CLS Labs in the Merger, the issuance of an aggregate of 15,000,000 shares of our common stock to the former CLS Labs stockholders in the Merger, and the issuance of 250,000 shares of our common stock to Michael Abrams, the Company's Chief Operating Officer, pursuant to his employment agreement, as amended, 20,250,000 shares of our common stock and no shares of our preferred stock were issued and outstanding.

Description of Common Stock

The holders of common stock are entitled to one vote per share on all matters submitted to a vote of the stockholders, including the election of directors. Generally, all matters to be voted on by stockholders must be approved by a majority (or, in the case of election of directors, by a plurality) of the votes entitled to be cast by all shares of common stock that are present in person or represented by proxy. Except as otherwise provided by law, amendments to the articles of incorporation generally must be approved by a majority of the votes entitled to be cast by the holders of all outstanding shares of common stock. The amended and restated articles of incorporation do not provide for cumulative voting in the election of directors. The common stockholders will be entitled to such cash dividends as may be declared from time to time by the Board from funds available. Upon liquidation, dissolution or winding up of the Company, the common stock holders will be entitled to receive pro rata all assets available for distribution to such holders, subject to the rights of holders of preferred stock, if any.

Anti-Takeover Effects of Provisions of Nevada State Law

Nevada's control share law generally applies to a company that has more than 200 stockholders, at least 100 of whom are stockholders of record and residents of Nevada, and that does business in Nevada, including through an affiliated corporation. This control share law may have the effect of discouraging corporate takeovers. We currently have less than 200 stockholders and are not currently doing business in Nevada, but if in the future we have more than 200 stockholders and start doing business in Nevada, we could become subject to this law.

The control share law focuses on the acquisition of a "controlling interest," which means the ownership of outstanding voting shares that would be sufficient, but for the operation of the control share law, to enable the acquiring person to exercise the following proportions of the voting power of the corporation in the election of directors: (1) one-fifth or more but less than one-third; (2) one-third or more but less than a majority; or (3) a majority or more. The ability to exercise this voting power may be direct or indirect, as well as individual or in association with others.

The effect of the control share law is that an acquiring person, and those acting in association with that person, will obtain only such voting rights in the control shares as are conferred by a resolution of the stockholders of the corporation, approved at a special or annual meeting of stockholders. The control share law contemplates that voting rights will be considered only once by the other stockholders. Thus, there is no authority to take away voting rights from the control shares of an acquiring person once those rights have been approved. If the stockholders do not grant voting rights to the control shares acquired by an acquiring person, those shares do not become permanent non-voting shares. The acquiring person is free to sell the shares to others. If the buyer or buyers of those shares themselves do not acquire a controlling interest, the shares are not governed by the control share law any longer.

If control shares are accorded full voting rights and the acquiring person has acquired control shares with a majority or more of the voting power, a stockholder of record, other than the acquiring person, who did not vote in favor of approval of voting rights for the control shares, is entitled to demand fair value for such stockholder's shares.

In addition to the control share law, Nevada has a business combination law, which prohibits certain business combinations between Nevada corporations and "interested stockholders" for three years after the interested stockholder first becomes an interested stockholder, unless the corporation's board of directors approves the combination in advance. For purposes of Nevada law, an interested stockholder is any person who is: (a) the beneficial owner, directly or indirectly, of 10% or more of the voting power of the outstanding voting shares of the corporation, or (b) an affiliate or associate of the corporation and at any time within the previous three years was the beneficial owner, directly or indirectly, of 10% or more of the voting power of the then-outstanding shares of the corporation. The definition of "business combination" contained in the statute is sufficiently broad to cover virtually any kind of transaction that would allow a potential acquirer to use the corporation's assets to finance the acquisition or otherwise to benefit its own interests rather than the interests of the corporation and its other stockholders.

The effect of Nevada's business combination law is to potentially discourage a party interested in taking control of the Company from doing so if it cannot obtain the approval of our board of directors.

Notwithstanding the applicability of Nevada's business combination law, our Amended and Restated Articles of Incorporation and Amended and Restated Bylaws contain several provisions designed to hinder or delay an attempted takeover, including (a) division of our board of directors into three classes with staggered terms, (b) advance notice requirements for stockholders to bring business before the annual meeting and for director nominations, (c) a prohibition against cumulative voting in the election of directors, and (d) an increased number of authorized shares of our stock, among others. These provisions may discourage a party interested in taking control of the Company from doing so by prolonging the time period required for shareholders or third parties to influence the Company's management, policies or affairs in order to provide the Board with adequate time to evaluate any proposal made by such shareholder or third party and consider appropriate alternatives. They may also discourage, delay or in some cases prevent a transaction involving a change in control of the Company that is not supported by the Board and which the Board does not consider to be in the best interests of the Company.

RECENT SALES OF UNREGISTERED SECURITIES

In connection with the Merger, we issued an aggregate of 15,000,000 shares of our common stock to the stockholders of CLS Labs and 250,000 shares of our common stock to Michael Abrams pursuant to his employment agreement, as amended. The issuance of these shares of our common stock in connection with the Merger and pursuant to Mr. Abrams' employment agreement were not registered under the Securities Act in reliance upon the exemption from registration provided by Section 4(2) of the Securities Act, which exempts transactions by an issuer not involving any public offering. These securities are "restricted securities" and may not be offered or sold by the holder absent registration under applicable federal and state laws or the availability of an applicable exemption from the registration requirements.

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Nevada Revised Statutes ("NRS") Sections 78.7502 and 78.751 provide us with the power to indemnify any of our directors, officers, employees and agents. The person entitled to indemnification must have conducted himself in good faith, and must reasonably believe that his conduct was in, or not opposed to, our best interests. In a criminal action, the director, officer, employee or agent must not have had reasonable cause to believe that his conduct was unlawful.

Under NRS Section 78.751, advances for expenses may be made by agreement if the director or officer affirms in writing that he has met the standards for indemnification and will personally repay the expenses if it is determined that such officer or director did not meet those standards.

Our articles and bylaws include indemnification provisions under which we have the power to indemnify our directors, officers, former directors and officers, employees and other agents (including heirs and personal representatives) against all expenses, liability, damages, claims or costs reasonably incurred, including an amount paid to settle an action or satisfy a judgment to which a director or officer is made a party by reason of being or having been a director or officer of the Company. Our bylaws further provide for the advancement of all expenses incurred by any present or former director or officer in defending a civil, criminal, administrative, regulatory or investigative action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amounts if it is determined that the party is not entitled to be indemnified under our bylaws. These indemnification rights are contractual, and as such will continue as to a person who has ceased to be a director, officer, employee or other agent, and will inure to the benefit of the heirs, executors and administrators of such a person. Insofar as indemnification for liabilities arising under the Securities Act may be permitted for our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

Reference is made to the disclosure set forth under Item 9.01 of this current report, which disclosure is incorporated herein by reference.

INDEX TO EXHIBITS

See Item 9.01(c) below, which is incorporated by reference herein.

DESCRIPTION OF EXHIBITS

See the Exhibit Index below and the corresponding exhibits, which are incorporated by reference herein.

Item 3.02. Unregistered Sales of Equity Securities.

The disclosure set forth in Item 2.01 to this current report under the section "Recent Sales of Unregistered Securities" is incorporated into this item by reference.

Item 5.01. Changes in Control of the Registrant.

We experienced a change of control on November 12, 2014, when CLS Labs acquired from Larry A. Adelt, President and Chief Executive Officer of the Company, all of Mr. Adelt's outstanding shares of our common stock pursuant to a Securities Purchase Agreement dated November 12, 2014 (the "SPA"). Pursuant to the SPA, Mr. Adelt sold to CLS Labs 10,000,000 shares of common stock in the Company, which shares represented 55.6% of the Company's outstanding shares of common stock, in exchange for a purchase price of $295,250.00.

We experienced a subsequent change in control as a result of the Merger, with the former stockholders of CLS Labs acquiring control of us. The disclosure set forth in Item 2.01 to this current report is incorporated into this item by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

In accordance with the terms of the SPA, Jeffrey I. Binder, Chairman, President, Chief Executive Officer and a director of CLS Labs, was appointed to the board of directors of the Company simultaneously with the closing of the stock purchase on November 12, 2014. Upon his appointment, the Company's Board of Directors consisted of Mr. Binder and Mr. Adelt. Immediately following the closing, Mr. Adelt resigned as President, Treasurer and Secretary of the Company. The Board of Directors subsequently appointed Mr. Binder as Chairman of the Board, President and Chief Executive Officer of the Company, and appointed Michael Abrams as Chief Operating Officer of the Company. On November 14, 2014, Mr. Adelt resigned from the Board of Directors. On the Closing Date, Frank Koretsky was appointed to the Company's board of directors.

The disclosures regarding compensatory arrangements set forth in Item 2.01 under the heading "Directors and Executive Officers" are incorporated into this item by reference.

Item 5.06. Change in Shell Company Status.

The disclosure set forth in Item 2.01 to this current report is incorporated into this item by reference. As a result of the completion of the Merger, we believe that we are no longer a shell company, as defined in Rule 405 of the Securities Act and Rule 12b-2 of the Exchange Act.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired

CLS Labs' audited financial statements for the year ended September 30, 2014 and its unaudited financial statements at December 31, 2014 are included with this current report beginning on Page F-1.

(b) Pro forma financial information

Not applicable.

(c) Exhibits

Exhibit No.	Description
2.1	Agreement and Plan of Merger dated April 29, 2015 by and among CLS Holdings USA, Inc., CLS Merger, Inc., and CLS Labs, Inc.*
3.1	Articles of Incorporation of Adelt Design, Inc. (incorporated by reference from Exhibit 3.1 in the Company's Registration Statement filed with the SEC on June 3, 2011).

Exhibit No.	Description
3.2	Amended and Restated Articles of Incorporation of CLS Holdings USA, Inc. (incorporated by reference from Exhibit 1.1 in the Company's Current Report on Form 8-K filed with the SEC on November 26, 2014).
3.3	Bylaws of Adelt Design, Inc. (incorporated by reference from Exhibit 3.1 in the Company's Registration Statement filed with the SEC on June 3, 2011).
3.4	Amended and Restated Bylaws of CLS Holdings USA, Inc. (incorporated by reference from Exhibit 1.2 in the Company's Current Report on Form 8-K filed with the SEC on November 26, 2014).
4.1	Form of Stock Certificate *
10.1	Employment Agreement dated October 1, 2014 between CLS Labs, Inc. and Jeffrey Binder (1) *
10.2	Addendum to Employment Agreement dated April 28, 2015 between CLS Labs, Inc., CLS Holdings USA, Inc. and Jeffrey Binder (1) *
10.3	Employment Agreement dated October 1, 2014 between CLS Labs, Inc. and Michael Abrams (1) *
10.4	Addendum to Employment Agreement dated April 28, 2015 between CLS Labs, Inc., CLS Holdings USA, Inc. and Michael Abrams (1) *
10.5	Lease dated April 17, 2015 between Casimir-Quince, LLC, and CLS Labs Colorado, Inc. **
10.6	Sublease Agreement dated April 17, 2015 between CLS Labs Colorado, Inc. and Picture Rock Holdings, LLC. *
10.7	Licensing Agreement dated April 17, 2015 between CLS Labs Colorado, Inc. and Picture Rock Holdings, LLC. **
10.8	Equipment Lease dated April 17, 2015 between CLS Labs Colorado, Inc. and Picture Rock Holdings, LLC. **
10.9	Restricted Stock Grant Agreement dated April 28, 2015 between CLS Holdings USA, Inc. and Michael Abrams (1) *
10.10	Subscription for Property Agreement dated July 16, 2014 between CLS Labs, Inc. and Raymond Keller *
10.11	Promissory Note dated April 17, 2015 between CLS Labs Colorado, Inc. and Picture Rock Holdings, LLC*
10.12	Confidentiality, Non-Compete and Proprietary Rights Agreements dated July 16, 2014 between CLS Labs, Inc. and Raymond Keller *

Exhibit No.	Description
21.1	Subsidiaries of CLS Holdings USA, Inc.*
23.1	Consent of M&K CPAs dated April 29, 2015 *

(1) Management Contract or Compensation Plan

* Filed herewith.

** Filed herewith. Portions of this document are omitted pursuant to an application for an order for confidential treatment pursuant to Rule 24b-2 under the Exchange Act. Confidential portions of this document have been filed separately with the Securities and Exchange Commission.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CLS HOLDINGS USA, INC.

Date: April 29, 2015

By: /s/ Jeffrey I. Binder
Jeffrey I. Binder
Chairman, President and Chief Executive Officer
(Principal Executive Officer and
Principal Financial Officer)

INDEX TO FINANCIAL STATEMENTS

CLS LABS, INC., f/k/a RJF LABS, INC.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders

of CLS Labs, Inc. f/k/a RJF Labs, Inc.

We have audited the accompanying balance sheet of CLS Labs, Inc. f/k/a RJF Labs, Inc. ("CLS Labs") as of September 30, 2014 and the related statements of operations, changes in stockholders' equity, and cash flows for the period from May 1, 2014 (inception) through September 30, 2014. These financial statements are the responsibility of CLS Labs' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States).Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. CLS Labs is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CLS Labs' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CLS Labs, Inc. f/k/a RJF Labs, Inc. as of September 30, 2014, and the results of its operations and its cash flows for the period from May 1, 2014 (inception) through September 30, 2014 in conformity with United States generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company suffered a net loss from operations and has a net capital deficiency, which raises substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ M&K CPAs, PLLC
Houston, TX
April 29, 2015

RJF Labs, Inc.
BALANCE SHEET

	September 30, 2014
ASSETS	
Current assets	
Cash and cash equivalents	$ 808,159
Other current assets	5,000
Prepaid expenses	69,440
Total current assets	882,599
Total assets	882,599
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities	
Accounts payable and accrued liabilities	16,686
Total current liabilities	16,686
Commitments and contingencies	-
Stockholders' equity	
Common stock, 75,000 share authorized, no par value, 300 shares issued and outstanding	1,000,000
Subscription receivable	(2,070)
Retained earnings	(132,017)
Total stockholders' equity	865,913
Total liabilities and stockholders' equity	$ 882,599

See notes to consolidated financial statements.

RJF Labs, Inc.
STATEMENT OF OPERATIONS

	May 1, 2014 (inception) to September 30, 2014
Operating expenses:	
General and administrative	24,096
Research and development	32,769
Professional fees	50,152
Commissions	25,000
Total operating expenses	132,017
Loss before provision for income taxes	(132,017)
Provision for income taxes	-
Net loss	$ (132,017)
Net loss per share - basic and diluted	$ (440)
Weighted average shares outstanding - basic and diluted	300

See notes to consolidated financial statements.

RJF Labs, Inc.
STATEMENT OF CASH FLOWS

	May 1, 2014 (inception) to September 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income (loss)	$ (132,017)
Adjustments to reconcile net loss to net cash used in operating activities:	
Changes in assets and liabilities:	
Escrow	(5,000)
Prepaid expenses	(69,440)
Accounts payable and accrued expenses	16,686
Net cash used in operating activities	(189,771)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issuance of founders shares	997,930
Net cash provided by financing activities	997,930
Net increase in cash and cash equivalents	808,159
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	$ 808,159
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Interest paid	$ -
Income taxes paid	$ -

See notes to consolidated financial statements.

RJF Labs, Inc.
STATEMENT OF CHANGE IN STOCKHOLDERS' EQUITY (DEFICIT)

	Common Stock		Subscription	Accumulated	Total Stockholders' Equity
	Shares	Amount	Receivable	(Deficit)	(Deficit)
Balance, May 1, 2014	-	-	-	-	-
Issuance of founders shares	300	1,000,000	(2,070)	-	997,930
Net loss for the year ended September 30, 2014	-	-	-	(132,017)	(132,017)
Balance, September 30, 2014	300	1,000,000	(2,070)	(132,017)	865,913

See notes to consolidated financial statements.

NOTE 1 – BUSINESS ORGANIZATION, NATURE OF OPERATIONS

RJF Labs, Inc. (the "Company") was incorporated in the state of Nevada on May 1, 2014. The Company changed its name to CLS Labs, Inc. on October 24, 2014.

The Company holds a proprietary method of extracting cannabinoids from cannabis plants and converting the resulting cannabinoid extracts into concentrates such as oils, waxes, edibles and shatter. These concentrates may be ingested in a number of ways, including through vaporization via electronic cigarettes ("e-cigarettes"), and used for a variety of pharmaceutical and other purposes. Internal testing of this extraction method and conversion process has revealed that it produces a cleaner, higher quality product and a significantly higher yield than the cannabinoid extraction processes currently existing in the marketplace. The Company has not commercialized its proprietary process or otherwise earned any revenues.

NOTE 2 – GOING CONCERN

As shown in the accompanying financial statements, the Company has incurred net losses from operations resulting in an accumulated deficit of $132,017 as of September 30, 2014. Further losses are anticipated in the development of its business raising substantial doubt about the Company's ability to continue as a going concern. The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management intends to finance operating costs over the next twelve months with loans and/or sale of common stock. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might result from this uncertainty.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These audited financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States and are expressed in US dollars. The Company has adopted a fiscal year end of September 30th.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less to be cash equivalents.

Concentrations of Credit Risk

The Company maintains its cash in bank deposit accounts, the balances of which at times may exceed federally insured limits. The Company continually monitors its banking relationships and consequently has not experienced any losses in such accounts.

Advertising and Marketing Costs

Advertising and marketing costs are expensed as incurred. The Company incurred no advertising and marketing costs for the year ended September 30, 2014.

Research and Development

Research and development expenses are charged to operations as incurred. The Company incurred research and development costs of $32,769 for the year ended September 30, 2014.

Fair Value of Financial Instruments

Pursuant to ASC No. 825, Financial Instruments, the Company is required to estimate the fair value of all financial instruments included on its balance sheets. The carrying value of cash, accounts receivable, other receivables, accounts payable and accrued expenses approximate their fair value due to the short period to maturity of these instruments.

A three-tier fair value hierarchy is used to prioritize the inputs in measuring fair value as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Significant unobservable inputs that cannot be corroborated by market data.

Revenue Recognition

The Company applies the revenue recognition provisions pursuant to ASC No. 605, Revenue Recognition, which provides guidance on the recognition, presentation and disclosure of revenue in financial statements filed with the SEC. The guidance outlines the basic criteria that must be met to recognize the revenue and provides guidance for disclosure related to revenue recognition policies.

Income (Loss) Per Share

The basic net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted net loss per common share is computed by dividing the net loss adjusted on an “as if converted” basis, by the weighted average number of common shares outstanding plus potential dilutive securities. For the periods presented, there were no outstanding potential common stock equivalents and therefore basic and diluted earnings per share result in the same figure.

Income Taxes

The Company accounts for income taxes under the asset and liability method in accordance with ASC 740. The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The components of the deferred tax assets and liabilities are classified as current and non-current based on their characteristics. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations.

Commitments and Contingencies

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company’s management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company’s legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company’s financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the nature of the guarantee would be disclosed.

Recent Accounting Pronouncements

There were various accounting updates recently issued which are not expected to a have a material impact on the Company's consolidated financial position, consolidated results of operations or cash flows.

NOTE 4 – OTHER CURRENT ASSETS

Other current assets consist of $5,000 of restricted cash held in escrow.

NOTE 5 – PREPAID EXPENSES

Prepaid expenses consist of the following as of September 30, 2014:

	September 30, 2014
Prepaid legal fee	$ 19,440
Prepaid consulting fees	25,000
Other prepaid fees associated with future transaction	25,000
Total other current assets	$ 69,440

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities of $16,686 at September 30, 2014 consist of legal fees and other trade payables.

NOTE 7 – RELATED PARTY TRANSACTIONS

During the year ended September 30, 2014, the Company issued 100 shares to a founding shareholder in exchange for intellectual property. Due to the related party nature of the transaction the intellectual property was assigned no value.

NOTE 8 – STOCKHOLDERS' EQUITY

The Company is authorized to issue 75,000 shares of no par value common stock. The Company has 300 shares of common stock issued and outstanding as of September 30, 2014.

During the year ended September 30, 2014, three shareholders were each issued 100 founder shares of common stock. The transaction was valued at $1,000,000. The company received cash proceeds $997,930 from two shareholders and intellectual property from a third shareholder. Due to the related party nature, no value was assigned to the intellectual property exchanged for stock. The Company has subscription receivables of $2,070 as of September 30, 2014 related to this issuance.

NOTE 9 – INCOME TAXES

The Company accounts for income taxes under FASB ASC 740-10, which provides for an asset and liability approach of accounting for income taxes. Under this approach, deferred tax assets and liabilities are recognized based on anticipated future tax consequences, using currently enacted tax laws, attributed to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts calculated for income tax purposes.

As of September 30, 2014, the Company incurred a net operating loss and, accordingly, no provision for income taxes has been recorded. In addition, no benefit for income taxes has been recorded due to the uncertainty of the realization of any tax assets.

The tax effects of the temporary differences that give rise to the Company's estimated deferred tax assets and liabilities are as follows:

	September 30, 2014
Federal and State Statutory Rate	35 %
Net operating loss carry forwards	46,206
Valuation allowance for deferred tax assets	(46,206)
Net deferred tax assets	-

As of September 30, 2014, the Company had net operating loss carry forwards of approximately $132,017 available to offset future taxable income. The net operating loss carry forwards, if not utilized, will begin to expire in 2035.

Based on the available objective evidence, including the Company's history of its loss, management believes it is more likely than not that the net deferred tax assets will not be fully realizable. Accordingly, the Company provided for a full valuation allowance against its net deferred tax assets at September 30, 2014. The Company had no uncertain tax positions as of September 30, 2014.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Consulting Agreement

In September 2014, the Company entered into a three month consulting agreement at a monthly rate of $25,000. During the year ended September 30, 2014 the Company paid the amount of $25,000 under this agreement, which was recorded as prepaid consulting fees. This agreement was amended to become effective March 2015.

NOTE 11 – SUBSEQUENT EVENTS

On October 1, 2014, the Company and Jeffrey Binder entered into a five-year employment agreement. Under the agreement, Mr. Binder serves as the Company's Chairman, President and Chief Executive Officer and is entitled to receive an annual salary of $150,000. The agreement also entitles Mr. Binder to receive a performance bonus equal to 2% of the Company's annual EBITDA, up to a maximum annual cash compensation of $1 million (including his base salary), and annual stock options, exercisable at the fair market value of the Company's common stock on the date of grant, in an amount equal to 2% of its annual EBITDA up to $42.5 million and 4% of its annual EBITDA in excess of $42.5 million.

On October 1, 2014, the Company and Michael Abrams entered into a five-year employment agreement. Under the agreement, Mr. Abrams serves as the Company' Chief Operating Officer and is entitled to receive an annual salary of $150,000. Under the agreement, Mr. Abrams is also entitled to receive a performance bonus equal to 2% of the Company' annual EBITDA, up to a maximum annual cash compensation of $1 million (including his base salary), and annual stock options, exercisable at the fair market value of the Company' common stock on the date of grant, in an amount equal to 2% of its annual EBITDA up to $42.5 million and 4% of its annual EBITDA in excess of $42.5 million. Additionally, Mr. Abrams is entitled to a one-time signing bonus of 250,000 shares of common stock of the Company.

On October 24, 2014, the Company changed its name from RJF Labs, Inc. to CLS Labs, Inc.

On November 12, 2014, the Company acquired 10,000,000 shares, or 55.6%, of the outstanding shares of common stock of CLS Holdings USA, Inc. f/k/a Adelt Design, Inc., a Nevada corporation ("CLS Holdings") from its founder, Larry Adelt, in exchange for a purchase price of $295,250. On that date, Jeffrey Binder, the Chairman, President and Chief Executive Officer of the Company, was appointed Chairman, President and Chief Executive Officer of CLS Holdings, and Michael Abrams, the Chief Operating Officer of the Company, was appointed the Chief Operating Officer of CLS Holdings.

On April 17, 2015, the Company entered into an arrangement (the "Colorado Arrangement"), through its wholly owned subsidiary, CLS Labs Colorado, Inc., a Florida corporation ("CLS Labs Colorado"), via a number of agreements with certain Colorado entities, including the following:

(i) a Licensing Agreement with Picture Rock Holdings, LLC, a Colorado limited liability company ("PRH"), whereby, in exchange for a license fee payable over the ten (10) year term of the agreement, CLS Labs Colorado granted to PRH an exclusive license for the State of Colorado of certain proprietary inventions and formulas relating to the extraction from, separation and processing (the "Process") of marijuana to produce certain marijuana-infused products, including edibles, e-liquids, waxes and shatter (the "Products"), and to practice and use the Process in conjunction with the manufacture, production, sale, and distribution of the Products. Pursuant to the Licensing Agreement, if during its term applicable state and local laws change to permit, in whole or in part, the ownership or issuance of a marijuana-infused products license in Colorado (a "MIP License"), directly or indirectly, by or to a person or entity who is not a Colorado resident, CLS Labs Colorado has the option to demand the transfer of up to a fifty six percent (56%) ownership interest in the MIP Licenses owned by PRH to CLS Labs Colorado or its designees in exchange for a proportionate reduction in license fees.

(ii) an Industrial Lease Agreement (the "Lease") with Casmir-Quince, LLC, a Colorado limited liability company, whereby CLS Labs Colorado leased 14,392 square feet of warehouse and office space (the "Leased Real Property") in a building in Denver, Colorado where certain intended activities, including growing, extraction, conversion, assembly and packaging of cannabis and other plant materials, are permitted by and in compliance with state, city and local laws, rules, ordinances and regulations. The Lease has an initial term of seventy-two (72) months and provides CLS Labs Colorado with two options to extend the term of the lease by up to an aggregate of ten (10) additional years.

(iii) a Sublease Agreement with PRH (the "Sublease"), thereby subletting the entire Leased Real Property to PRH. The term of the Sublease is the same as the Lease and PRH is required to pay CLS Labs Colorado monthly rent equal to the total rent due under the Lease for the corresponding month.

(iv) an Equipment Lease Agreement (the "Equipment Lease") with PRH, whereby, in exchange for a lease payment, CLS Labs Colorado agreed to commence building a fully equipped lab at the Leased Real Property, including purchasing all equipment necessary to extract, convert and provide quality control of all cannabis products of PRH. The Equipment Lease terminates upon the earlier of ten (10) years from its effective date or such earlier date upon which the Lease is terminated. PRH has the option to renew the Equipment Lease for a period of five (5) years, or such lesser period as remains under the Lease at the time of the renewal. If during the term of the Equipment Lease applicable state and local laws change to permit, in whole or in part, the ownership or issuance of an MIP License, directly or indirectly, by or to a person or entity who is not a Colorado resident, CLS Labs Colorado has the option to demand the transfer of up to a fifty six percent (56%) ownership interest in the MIP Licenses owned by PRH to CLS Labs Colorado or its designees in exchange for a proportionate reduction in lease payments.

(v) a promissory note (the "Note") pursuant to which CLS Labs Colorado loaned Five Hundred Thousand Dollars ($500,000) to PRH to be used by PRH in connection with the financing of the building out, equipping, and development of the Grow Facility by PRH that will be operated by a licensed third-party marijuana grower. PRH will repay the principal due under the Note in twenty (20) equal quarterly installments of Twenty Five Thousand Dollars ($25,000) commencing on July 1, 2015 and continuing until paid in full. Interest will accrue on the unpaid principal balance of the Note at the rate of twelve percent (12%) per annum and will be paid quarterly in arrears commencing on July 1, 2015 and continuing until paid in full. All outstanding principal and any accumulated unpaid interest due under the Note is due and payable on April 1, 2020.

On April 28, 2015, Mr. Binder, the Company and CLS Holdings entered into an addendum to Mr. Binder's employment agreement whereby Mr. Binder agreed that following the Merger (as defined below), in addition to his obligations to the Company, he will serve CLS Holdings and its subsidiaries in such roles as it may request. In exchange, CLS Holdings agreed to assume the obligations of the Company to grant Mr. Binder annual stock options, as referenced above. Mr. Binder will continue to receive an annual salary of $150,000 from the Company for serving as its Chairman, President and Chief Executive Officer.

On April 28, 2015, Mr. Abrams, the Company and CLS Holdings. entered into an addendum to Mr. Abrams's employment agreement whereby Mr. Abrams agreed that following the Merger, in addition to his obligations to the Company, he will serve CLS Holdings and its subsidiaries in such roles as it may request. In exchange, CLS Holdings agreed to assume the obligations of the Company to grant Mr. Abrams annual stock options, as referenced above, and agreed to issue Mr. Abrams 250,000 shares of CLS Holdings' common stock upon the consummation of the Merger in lieu of the Company' signing bonus obligations. Mr. Abrams will continue to receive an annual salary of $150,000 from the Company for serving as its Chief Operating Officer.

On April 29, 2015, the Company, CLS Holdings and CLS Merger Inc., a Nevada corporation and wholly owned subsidiary of CLS Holdings, entered into an Agreement and Plan of Merger (the "Merger Agreement") and completed a merger, whereby CLS Merger Inc. merged with and into CLS Labs, with CLS Labs remaining as the surviving entity (the "Merger"). Upon the consummation of the Merger, the shares of the common stock of CLS Holdings owned by the Company were extinguished and the stockholders of the Company were issued an aggregate of 15,000,000 shares of common stock in CLS Holdings in exchange for their shares of common stock in the Company.

CLS Labs, Inc.
BALANCE SHEET
(UNAUDITED)

	December 31, 2014	September 30, 2014 (audited)
ASSETS		
Current assets		
Cash and cash equivalents	$ 253,101	$ 808,159
Other current assets	-	5,000
Prepaid expense	87,455	69,440
Due from related parties	3,747	-
Total current assets	344,303	882,599
Intangible assets	7,224	-
Total assets	351,527	882,599
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	86,722	16,686
Total current liabilities	86,722	16,686
Commitments and contingencies	-	-
Stockholders' equity		
Common stock, 75,000 shares authorized, no par value, 300 shares issued and outstanding	722,680	1,000,000
Subscription receivable	-	(2,070)
Retained earnings	(457,875)	(132,017)
Total stockholders' equity	264,805	865,913
Total liabilities and stockholders' equity	$ 351,527	$ 882,599

See notes to consolidated financial statements.

CLS Labs, Inc.
STATEMENT OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended December 31, 2014
Operating expenses:	
General and administrative	325,858
Total operating expenses	325,858
Loss before provision for income taxes	(325,858)
Provision for income taxes	-
Net loss	$ (325,858)
Net income (loss) per share - basic and diluted	$ (1,086)
Weighted average shares outstanding - basic and diluted	300

See notes to consolidated financial statements.

CLS Labs, Inc.
STATEMENT OF CASH FLOWS
(UNAUDITED)

	For the Three Months Ended December 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income (loss)	$ (325,858)
Adjustments to reconcile net loss to net cash used in operating activities:	
Changes in assets and liabilities:	
Escrow	5,000
Prepaid expenses	(18,015)
Accounts payable and accrued expenses	70,036
Due from related parties	(3,747)
Net cash used in operating activities	(272,584)
CASH FLOWS FROM INVESTING ACTIVITIES	
Payments to acquire intangible assets	(7,224)
Payments for investment in shell company	(295,250)
Net cash used in investing activities	(302,474)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issuance of founders shares	2,070
Contributed capital	17,930
Net cash provided by financing activities	20,000
Net increase in cash and cash equivalents	(555,058)
Cash and cash equivalents at beginning of period	808,159
Cash and cash equivalents at end of period	$ 253,101
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Interest paid	$ -
Income taxes paid	$ -

See notes to consolidated financial statements.

CLS Labs, Inc.
STATEMENT OF CHANGE IN STOCKHOLDERS' EQUITY (DEFICIT)
(UNAUDITED)

	Common stock		Subscription	Accumulated	Total Stockholders' Equity
	Shares	Amount	Receivable	(Deficit)	(Deficit)
Balance, May 1, 2014	-	-	-	-	-
Issuance of founders shares	300	1,000,000	(2,070)	-	997,930
Net loss for the year ended September 30, 2014	-	-		(132,017)	(132,017)
Balance, September 30, 2014	300	1,000,000	(2,070)	(132,017)	865,913
Issuance of founders shares			2,070	-	2,070
Contributed capital		17,930			17,930
Investment in public shell		(295,250)			(295,250)
Net loss for the three months ended December 31, 2014				(325,858)	(325,858)
Balance, December 31, 2014	300	772,680	-	(457,875)	264,805

See notes to consolidated financial statements.

CLS Labs, Inc.
Notes to Consolidated Financial Statements
(Unaudited)

NOTE 1 – BUSINESS ORGANIZATION, NATURE OF OPERATIONS

CLS Labs, Inc. (the "Company") was originally incorporated in the state of Nevada on May 1, 2014 under the name RJF Labs, Inc. The Company changed its name to CLS Labs, Inc. on October 24, 2014.

The Company holds a proprietary method of extracting cannabinoids from cannabis plants and converting the resulting cannabinoid extracts into concentrates such as oils, waxes, edibles and shatter. These concentrates may be ingested in a number of ways, including through vaporization via electronic cigarettes ("e-cigarettes"), and used for a variety of pharmaceutical and other purposes. Internal testing of this extraction method and conversion process has revealed that it produces a cleaner, higher quality product and a significantly higher yield than the cannabinoid extraction processes currently existing in the marketplace. The Company has not commercialized its proprietary process or otherwise earned any revenues.

NOTE 2 – GOING CONCERN

As shown in the accompanying financial statements, the Company has incurred net losses from operations resulting in an accumulated deficit of $457,875 as of December 31, 2014. Further losses are anticipated in the development of its business raising substantial doubt about the Company's ability to continue as a going concern. The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management intends to finance operating costs over the next twelve months with loans and/or sale of common stock. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might result from this uncertainty.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These audited financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States and are expressed in US dollars. The Company has adopted a fiscal year end of September 30th.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less to be cash equivalents.

Concentrations of Credit Risk

The Company maintains its cash in bank deposit accounts, the balances of which at times may exceed federally insured limits. The Company continually monitors its banking relationships and consequently has not experienced any losses in such accounts.

Advertising and Marketing Costs

Advertising and marketing costs are expensed as incurred. The Company incurred no advertising and marketing costs for the year ended December 31, 2014.

Research and Development

Research and development expenses are charged to operations as incurred. The Company incurred research and development costs of $0 for the three months ended December 31, 2014.

Intangible Assets

Intangible assets consist of domain names. The Company capitalizes costs of obtaining domain names, which are amortized once put into service, using the straight-line method over their estimated useful life of five years.

Fair Value of Financial Instruments

Pursuant to ASC No. 825, Financial Instruments, the Company is required to estimate the fair value of all financial instruments included on its balance sheets. The carrying value of cash, accounts receivable, other receivables, accounts payable and accrued expenses approximate their fair value due to the short period to maturity of these instruments.

A three-tier fair value hierarchy is used to prioritize the inputs in measuring fair value as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Significant unobservable inputs that cannot be corroborated by market data.

Revenue Recognition

The Company applies the revenue recognition provisions pursuant to ASC No. 605, Revenue Recognition, which provides guidance on the recognition, presentation and disclosure of revenue in financial statements filed with the SEC. The guidance outlines the basic criteria that must be met to recognize the revenue and provides guidance for disclosure related to revenue recognition policies.

Income (Loss) Per Share

The basic net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted net loss per common share is computed by dividing the net loss adjusted on an “as if converted” basis, by the weighted average number of common shares outstanding plus potential dilutive securities. For the periods presented, there were no outstanding potential common stock equivalents and therefore basic and diluted earnings per share result in the same figure.

Income Taxes

The Company accounts for income taxes under the asset and liability method in accordance with ASC 740. The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The components of the deferred tax assets and liabilities are classified as current and non-current based on their characteristics. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations.

Commitments and Contingencies

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company’s management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company’s legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the nature of the guarantee would be disclosed.

Recent Accounting Pronouncements

There were various accounting updates recently issued which are not expected to a have a material impact on the Company's consolidated financial position, consolidated results of operations or cash flows.

NOTE 4 – INTANGIBLE ASSETS

Intangible assets consist of a domain name in the amount of $7,224. These intangible assets have not been put into service at December 31, 2014, and we have not yet begun to amortize these amounts.

NOTE 5 – Prepaid Expenses

Prepaid expenses consisted of the follow at December 31, 2014 and September 30, 2014:

	December 31, 2014	September 30, 2014
Prepaid legal fees	$ 3,705	$ 19,440
Prepaid consulting fee	83,750	25,000
Other prepaid fees associated with future transaction		25,000
Total other current assets	$ 87,455	$ 69,440

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consists of the following:

	December 31, 2014	September 30, 2014
Trade payables	$ 40,943	$ 16,686
Payroll related	2,029	-
Accrued compensation	43,750	-
Accounts Payable and Accrued Liabilities	$ 86,722	$ 16,686

NOTE 7 – RELATED PARTY TRANSACTIONS

During the three months ended December 31, 2014, the Company loaned CLS Holdings USA, Inc. in the amount of $3,747. The outstanding balance as of December 31, 2014 is $3,747.

NOTE 8 – STOCKHOLDERS' EQUITY

The Company is authorized to issue 75,000 shares of no par value common stock. The Company has 300 shares of common stock issued and outstanding as of December 31, 2014 and September 30, 2014, respectively.

During the three months ended December 31, 2014, the Company received $20,000 from founding shareholders for stock and contributed capital.

Investment in public shell company

During the three months ended December 31, 2014 the Company completed a Securities Purchase Agreement ("Agreement") with Larry A. Adelt, President and Chief Executive Officer of Adelt Design, Inc. to acquire all of Mr. Adelt's outstanding shares of common stock. Pursuant to the Agreement, CLS Labs acquired 10,000,000 shares, or 55%, of outstanding shares in Adelt Design, Inc. in exchange for a purchase price of $295,250. This amount is included in additional paid in capital on the accompanying financials statements.

NOTE 9 – EMPLOYMENT AGREEMENTS

On October 1, 2014, the Company entered into an Employment Agreement ("Agreement") with Jeffrey Binder to serve as President and Chief Executive Officer of the company. The initial term of this Agreement shall be for five (5) years, beginning on October 1, 2014 (the "Effective Date") and ending on September 30, 2019. Upon expiration of the initial term, this Agreement shall automatically renew for successive terms of one (1) year, unless either party, at least sixty (60) days prior to such renewal, gives the other party written notice of intent not to renew. During the term of this Agreement, the Company will pay a base salary of $150,000 per annum. In addition, the President and Chief Executive Officer is entitled to receive, on an annual basis, a performance-based bonus equal to two percent (2%) of the Company's annual earnings before interest, taxes, depreciation and amortization ("EBITDA") up to a maximum annual cash compensation of $1 million including base salary. The bonus shall be payable sixty (60) days following the end of each calendar year during the term of this Agreement. As of December 31, 2014, the Company has accrued salary in the amount of $37,500.

On October 1, 2014, the Company entered into an Employment Agreement ("Agreement") with Michael Abrams to serve as Chief Operating Officer of the company. The initial term of this Agreement shall be for five (5) years, beginning on October 1, 2014 (the "Effective Date") and ending on September 30, 2019. Upon expiration of the initial term, this Agreement shall automatically renew for successive terms of one (1) year, unless either party, at least sixty (60) days prior to such renewal, gives the other party written notice of intent not to renew. During the term of this Agreement, the Company will pay a base salary of $150,000 per annum. In addition, the President and Chief Executive Officer is entitled to receive, on an annual basis, a performance-based bonus equal to two percent (2%) of the Company's annual earnings before interest, taxes, depreciation and amortization ("EBITDA") up to a maximum annual cash compensation of $1 million including base salary. The bonus shall be payable sixty (60) days following the end of each calendar year during the term of this Agreement. During the three months ended December 31, 2014, the Company has paid officer compensation in the amount of $31,250. As of December 31, 2014, the Company has accrued salary in the amount of $6,250.

NOTE 10 – SUBSEQUENT EVENTS

On April 17, 2015, the Company entered into an arrangement (the "Colorado Arrangement"), through its wholly owned subsidiary, CLS Labs Colorado, Inc., a Florida corporation ("CLS Labs Colorado"), via a number of agreements with certain Colorado entities, including the following:

(i) a Licensing Agreement with Picture Rock Holdings, LLC, a Colorado limited liability company ("PRH"), whereby, in exchange for a license fee payable over the ten (10) year term of the agreement, CLS Labs Colorado granted to PRH an exclusive license for the State of Colorado of certain proprietary inventions and formulas relating to the extraction from, separation and processing (the "Process") of marijuana to produce certain marijuana-infused products, including edibles, e-liquids, waxes and shatter (the "Products"), and to practice and use the Process in conjunction with the manufacture, production, sale, and distribution of the Products. Pursuant to the Licensing Agreement, if during its term applicable state and local laws change to permit, in whole or in part, the ownership or issuance of a marijuana-infused products license in Colorado (a "MIP License"), directly or indirectly, by or to a person or entity who is not a Colorado resident, CLS Labs Colorado has the option to demand the transfer of up to a fifty six percent (56%) ownership interest in the MIP Licenses owned by PRH to CLS Labs Colorado or its designees in exchange for a proportionate reduction in license fees.

(ii) an Industrial Lease Agreement (the "Lease") with Casmir-Quince, LLC, a Colorado limited liability company, whereby CLS Labs Colorado leased 14,392 square feet of warehouse and office space (the "Leased Real Property") in a building in Denver, Colorado where certain intended activities, including growing, extraction, conversion, assembly and packaging of cannabis and other plant materials, are permitted by and in compliance with state, city and local laws, rules, ordinances and regulations. The Lease has an initial term of seventy-two (72) months and provides CLS Labs Colorado with two options to extend the term of the lease by up to an aggregate of ten (10) additional years.

(iii) a Sublease Agreement with PRH (the "Sublease"), thereby subletting the entire Leased Real Property to PRH. The term of the Sublease is the same as the Lease and PRH is required to pay CLS Labs Colorado monthly rent equal to the total rent due under the Lease for the corresponding month.

(iv) an Equipment Lease Agreement (the "Equipment Lease") with PRH, whereby, in exchange for a lease payment, CLS Labs Colorado agreed to commence building a fully equipped lab at the Leased Real Property, including purchasing all equipment necessary to extract, convert and provide quality control of all cannabis products of PRH. The Equipment Lease terminates upon the earlier of ten (10) years from its effective date or such earlier date upon which the Lease is terminated. PRH has the option to renew the Equipment Lease for a period of five (5) years, or such lesser period as remains under the Lease at the time of the renewal. If during the term of the Equipment Lease applicable state and local laws change to permit, in whole or in part, the ownership or issuance of an MIP License, directly or indirectly, by or to a person or entity who is not a Colorado resident, CLS Labs Colorado has the option to demand the transfer of up to a fifty six percent (56%) ownership interest in the MIP Licenses owned by PRH to CLS Labs Colorado or its designees in exchange for a proportionate reduction in lease payments.

(v) a promissory note (the "Note") pursuant to which CLS Labs Colorado loaned Five Hundred Thousand Dollars ($500,000) to PRH to be used by PRH in connection with the financing of the building out, equipping, and development of the Grow Facility by PRH that will be operated by a licensed third-party marijuana grower. PRH will repay the principal due under the Note in twenty (20) equal quarterly installments of Twenty Five Thousand Dollars ($25,000) commencing on July 1, 2015 and continuing until paid in full. Interest will accrue on the unpaid principal balance of the Note at the rate of twelve percent (12%) per annum and will be paid quarterly in arrears commencing on July 1, 2015 and continuing until paid in full. All outstanding principal and any accumulated unpaid interest due under the Note is due and payable on April 1, 2020.

On April 28, 2015, Mr. Binder, the Company and CLS Holdings entered into an addendum to Mr. Binder's employment agreement whereby Mr. Binder agreed that following the Merger (as defined below), in addition to his obligations to the Company, he will serve CLS Holdings and its subsidiaries in such roles as it may request. In exchange, CLS Holdings agreed to assume the obligations of the Company to grant Mr. Binder annual stock options, as referenced above. Mr. Binder will continue to receive an annual salary of $150,000 from the Company for serving as its Chairman, President and Chief Executive Officer.

On April 28, 2015, Mr. Abrams, the Company and CLS Holdings. entered into an addendum to Mr. Abrams's employment agreement whereby Mr. Abrams agreed that following the Merger, in addition to his obligations to the Company, he will serve CLS Holdings and its subsidiaries in such roles as it may request. In exchange, CLS Holdings agreed to assume the obligations of the Company to grant Mr. Abrams annual stock options, as referenced above, and agreed to issue Mr. Abrams 250,000 shares of CLS Holdings' common stock upon the consummation of the Merger in lieu of the Company' signing bonus obligations. Mr. Abrams will continue to receive an annual salary of $150,000 from the Company for serving as its Chief Operating Officer.

On April 29, 2015, the Company, CLS Holdings and CLS Merger Inc., a Nevada corporation and wholly owned subsidiary of CLS Holdings, entered into an Agreement and Plan of Merger (the "Merger Agreement") and completed a merger, whereby CLS Merger Inc. merged with and into CLS Labs, with CLS Labs remaining as the surviving entity (the "Merger"). Upon the consummation of the Merger, the shares of the common stock of CLS Holdings owned by the Company were extinguished and the stockholders of the Company were issued an aggregate of 15,000,000 shares of common stock in CLS Holdings in exchange for their shares of common stock in the Company.

Exhibit 2.1

AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger ("Agreement") is made and entered into as of April 29, 2015, by and among: CLS HOLDINGS USA, INC., a Nevada corporation ("Holdings"); CLS LABS, INC., a Nevada corporation ("CLS Labs"); and CLS MERGER, INC., a Nevada corporation, and a wholly owned subsidiary of Holdings (the "Merger Sub"). Certain other capitalized terms used in this Agreement are defined in Exhibit A.

Recitals

A. Holdings, CLS Labs and the Merger Sub intend to effect a merger of the Merger Sub into CLS Labs (the "Merger") in accordance with this Agreement and the Nevada Revised Statutes (the "NRS"). Upon consummation of the Merger, the Merger Sub will cease to exist, and CLS Labs will become a wholly owned subsidiary of Holdings.

B. It is intended that the Merger qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code").

C. This Agreement has been approved by the respective boards of directors of Holdings, CLS Labs and the Merger Sub and has been adopted by Holdings, as the sole shareholder of Merger Sub, and by all of the shareholders of CLS Labs.

Agreement

The parties to this Agreement agree as follows:

Section 1. Description of Transaction

1.1 Merger of the Merger Sub into CLS Labs. Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time (as defined in Section 1.3), the Merger Sub shall be merged with and into CLS Labs, and the separate existence of the Merger Sub shall cease. CLS Labs will continue as the surviving corporation in the Merger (the "Surviving Corporation").

1.2 Effect of the Merger. The Merger shall have the effects set forth in this Agreement and in the applicable provisions of the NRS.

1.3 Closing; Effective Time. The consummation of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Broad and Cassel, 1 N. Clematis Street, Suite 500, West Palm Beach, Florida 33401 at 10:00 a.m. on the date hereof. (the "Closing Date.") Contemporaneously with or as promptly as practicable after the Closing, properly executed articles of merger conforming to the requirements of the NRS shall be filed with the Secretary of State of the State of Nevada. The Merger shall become effective on the date such articles of merger are filed with the Secretary of State of the State of Nevada or such later time as specified in such articles of merger (the "Effective Time").

1.4 Certificate of Incorporation and Bylaws; Directors and Officers. Unless otherwise determined by Holdings prior to the Effective Time:

(a) the Articles of Incorporation of CLS Labs shall be the Articles of Incorporation of the Surviving Corporation;

(b) the Bylaws of CLS Labs shall be the Bylaws of the Surviving Corporation; and

(c) the directors and officers of CLS Labs shall be the directors and officers of the Surviving Corporation.

1.5 Merger Consideration. The aggregate consideration payable by Holdings for all shares of CLS Labs Common Stock (as defined in Exhibit A) shall be fifteen million shares of Holdings Common Stock (as defined in Exhibit A) which shall be issued ratably to the CLS Labs' shareholders in accordance with their ownership of CLS Labs Common Stock.

1.6 Conversion of Shares.

(a) Subject to Sections 1.8(a) and 1.9, at the Effective Time, by virtue of the Merger and without any further action on the part of Holdings, CLS Labs, the Merger Sub or any shareholder of the Merger Sub:

(i) each share of CLS Labs Common Stock outstanding immediately prior to the Effective Time shall be converted into the right to receive 50,000 shares of Holdings Common Stock;

(ii) each share of the common stock of Merger Sub outstanding immediately prior to the Effective Time shall be converted into one share of common stock of the Surviving Corporation; and

(iii) each share of Holdings Common Stock owned CLS Labs immediately prior to the Effective Time shall be canceled.

(b) For purposes of this Agreement, "Share Consideration" receivable by a holder of CLS Labs Common Stock shall consist of the shares of Holdings Common Stock issuable to such holder in accordance with Section 1.6(a) upon the surrender of the certificate or certificates representing CLS Labs Common Stock held by such holder.

1.7 Closing of CLS Labs' Transfer Books. At the Effective Time, holders of certificates representing shares of capital stock of CLS Labs that were outstanding immediately prior to the Effective Time shall cease to have any rights as shareholders of CLS Labs, and the stock transfer books of CLS Labs shall be closed with respect to all shares of such capital stock of CLS Labs outstanding immediately prior to the Effective Time. No further transfer of any such shares of capital stock of CLS Labs shall be made on such stock transfer books after the Effective Time. If, after the Effective Time, a valid certificate previously representing any shares of capital stock of CLS Labs Sub (a "CLS Labs Stock Certificate") is presented to the Surviving Corporation or Holdings, such CLS Labs Stock Certificate shall be canceled and shall be exchanged as provided in Section 1.8.

1.8 Exchange of Certificates.

(a) As soon as practicable after the Effective Time, Holdings will send to each of the registered holders of CLS Labs Stock Certificates a letter of transmittal in customary form and containing such provisions as Holdings may reasonably specify and instructions for use in effecting the surrender of CLS Labs Stock Certificates in exchange for the Share Consideration. Upon surrender of a CLS Labs Stock Certificate to Holdings for exchange, together with a duly executed letter of transmittal and such other documents as may be reasonably required by Holdings, Holdings shall deliver to the holder of such CLS Labs Stock Certificate a certificate representing the number of shares of Holdings Common Stock that such holder has the right to receive pursuant to Section 1.6. All CLS Labs Stock Certificates so surrendered shall be canceled. Until surrendered as contemplated by this Section 1.8, each CLS Labs Stock Certificate shall be deemed, from and after the Effective Time, to represent only the right to receive the Share Consideration in accordance with this Agreement. If any CLS Labs Stock Certificate shall have been lost, stolen or destroyed, Holdings may, in its discretion and as a condition precedent to the issuance of any certificate representing Holdings Common Stock or the payment of cash in lieu of fractional shares, require the owner of such lost, stolen or destroyed CLS Labs Stock Certificate to provide an appropriate affidavit and to deliver a bond (in such sum as Holdings may reasonably direct) as indemnity against any claim that may be made against Holdings or the Surviving Corporation with respect to such CLS Labs Stock Certificate.

(b) No dividends or other distributions declared or made with respect to Holdings Common Stock with a record date after the Effective Time shall be paid to the holder of any unsurrendered CLS Labs Stock Certificate with respect to the shares of Holdings Common Stock represented thereby, and no cash payment in lieu of any fractional share shall be paid to any such holder, until such holder surrenders such CLS Labs Stock Certificate in accordance with this Section 1.8 (at which time such holder shall be entitled to receive all such dividends and distributions and such cash payment).

(c) Holdings and the Surviving Corporation shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable to any holder or former holder of capital stock of CLS Labs pursuant to this Agreement such amounts as Holdings or the Surviving Corporation may be required to deduct or withhold therefrom under the Code or under any provision of state, local or foreign tax law. To the extent such amounts are so deducted or withheld, such amounts shall be treated for all purposes under this Agreement as having been paid to the Person to whom such amounts would otherwise have been paid.

(d) Neither Holdings nor the Surviving Corporation shall be liable to any holder or former holder of capital stock of CLS Labs for any shares of Holdings Common Stock (or dividends or distributions with respect thereto), delivered to any public official pursuant to any applicable abandoned property, escheat or similar law.

1.9 Tax Consequences. For federal income tax purposes, the Merger is intended to constitute a reorganization within the meaning of Section 368 of the Code. The parties to this Agreement hereby adopt this Agreement as a "plan of reorganization" within the meaning of Sections 1.368-2(g) and 1.368-3(a) of the United States Treasury Regulations.

1.10 Further Action. If, at any time after the Effective Time, any further action is determined by Holdings to be necessary or desirable to carry out the purposes of this Agreement or to vest the Surviving Corporation or Holdings with full right, title and possession of and to all rights and property of CLS Labs and the Merger Sub, the officers and directors of the Surviving Corporation and Holdings shall be fully authorized (in the name of CLS Labs, in the name of the Merger Sub and otherwise) to take such action.

Section 2. Representations and Warranties of CLS Labs

CLS Labs represents and warrants, to and for the benefit of Holdings, as follows:

2.1 Due Organization; Subsidiaries; Etc.

(a) CLS Labs is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada and has all necessary power and authority: (i) to conduct its business in the manner in which its business is currently being conducted; (ii) to own and use its assets in the manner in which its assets are currently owned and used; and (iii) to perform its obligations under all CLS Labs Contracts.

(b) CLS Labs is not and has not been required to be qualified, authorized, registered or licensed to do business as a foreign corporation in any state, except where the failure to be so qualified, authorized, registered or licensed has not had and will not have a Material Adverse Effect on CLS Labs.

(c) CLS Labs had not formed any committees of its board of directors.

(d) CLS Labs does not own any controlling interest in any Entity except for the CLS Subsidiaries.

2.2 Articles of Incorporation and Bylaws; Records. CLS Labs has delivered to Holdings accurate and complete copies of: (1) CLS Labs' articles of incorporation and bylaws, including all amendments thereto; (2) the stock records of CLS Labs; and (3) the minutes and other records of the meetings and other proceedings (including any actions taken by written consent or otherwise without a meeting) of the shareholders of CLS Labs and the board of directors of CLS Labs. There have been no formal meetings or other proceedings of the shareholders of the Merger Sub or the board of directors of CLS Labs that are not fully reflected in such minutes or other records.

2.3 Capitalization, Etc.

(a) The authorized capital stock of CLS Labs consists of: (i) 75,000 shares of common stock, no par value per share, of which 300 shares have been issued and are outstanding as of the date of this Agreement. All of the outstanding shares of CLS Labs Common Stock have been duly authorized and validly issued, and are fully paid and non-assessable. All outstanding shares of CLS Labs Common Stock have been issued and granted in compliance with (i) all applicable securities laws and other applicable Legal Requirements, and (ii) all requirements set forth in applicable Contracts.

(b) There is no: (i) outstanding subscription, option, call, warrant or right (whether or not currently exercisable) to acquire any shares of capital stock or other securities of CLS Labs; (ii) outstanding security, instrument or obligation that is or may become convertible into or exchangeable for any shares of capital stock or other securities of CLS Labs; (iii) Contract under which CLS Labs is or may become obligated to sell or otherwise issue any shares of its capital stock or any other securities of CLS Labs; or (iv) to the knowledge of CLS Labs, condition or circumstance that may give rise to or provide a basis for the assertion of a claim by any Person to the effect that such Person is entitled to acquire or receive any shares of capital stock or other securities of CLS Labs.

(c) CLS Labs has no Subsidiaries except for the CLS Subsidiaries. All of the outstanding shares of capital stock or membership interests, as applicable, of the CLS Subsidiaries have been duly authorized and are validly issued, are fully paid and nonassessable, except to the extent set forth in the operating agreement for Cannabis Life Sciences Consulting, LLC, and all, or a majority of, the outstanding shares of the CLS Subsidiaries are owned beneficially and of record by CLS Labs, free and clear of any Encumbrances.

(d) CLS Labs has never repurchased, redeemed or otherwise reacquired any shares of capital stock or other securities of CLS Labs.

2.4 Authority; Binding Nature of Agreement. CLS Labs has the absolute and unrestricted right, power and authority to enter into and to perform its obligations under this Agreement; and the execution, delivery and performance by CLS Labs of this Agreement have been duly authorized by all necessary action on the part of CLS Labs and its board of directors and shareholders, and this Agreement and the Merger have been unanimously approved by the board of directors and shareholders of CLS Labs. This Agreement constitutes the legal, valid and binding obligation of CLS Labs, enforceable against CLS Labs in accordance with its terms, subject to (i) laws of general application relating to bankruptcy, insolvency and the relief of debtors, and (ii) rules of law governing specific performance, injunctive relief and other equitable remedies.

2.5 Non-Contravention. Neither (1) the execution, delivery or performance of this Agreement or any of the other agreements referred to in this Agreement, nor (2) the consummation of the Merger or any of the other transactions contemplated by this Agreement, will directly or indirectly (with or without notice or lapse of time):

(a) contravene, conflict with or result in a violation of (i) any of the provisions of CLS Labs' articles of incorporation or bylaws, or (ii) any resolution adopted by CLS Labs' shareholders or CLS Labs' board of directors;

(b) contravene, conflict with or result in a violation of, or give any Governmental Body or other Person the right to challenge any of the transactions contemplated by this Agreement or to exercise any remedy or obtain any relief under, any Legal Requirement or any order, writ, injunction, judgment or decree to which CLS Labs, or any of the assets owned or used by CLS Labs, is subject;

(c) contravene, conflict with or result in a violation of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate or modify, any Governmental Authorization that is held by CLS Labs or that otherwise relates to CLS Labs' business or to any of the assets owned or used by CLS Labs;

(d) contravene, conflict with or result in a violation or breach of, or result in a default under, any provision of any CLS Labs Contract that is or would constitute a material Contract, or give any Person the right to (i) declare a default or exercise any remedy under any such CLS Labs Contract, (ii) accelerate the maturity or performance of any such CLS Labs Contract, or (iii) cancel, terminate or modify any such CLS Labs Contract; or

(e) result in the imposition or creation of any lien or other Encumbrance upon or with respect to any asset owned or used by CLS Labs (except for minor liens that will not, in any case or in the aggregate, materially detract from the value of the assets subject thereto or materially impair the operations of CLS Labs).

Section 3. Representations and Warranties of Holdings and Merger Sub

Holdings and Merger Sub represent and warrant to CLS Labs as follows:

3.1 Corporate Existence and Power. Each of Holdings and Merger Sub is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Nevada, and has all corporate power required to conduct its business as now conducted, and is duly qualified to do business and is in good standing in each jurisdiction in which the conduct of its business or the ownership or leasing of its properties requires such qualification, except where the failure to be so qualified would not have a material adverse effect on Holdings's business, financial condition or results of operations.

3.2 Authority; Binding Nature of Agreement . Holdings and Merger Sub have the absolute and unrestricted right, power and authority to perform their obligations under this Agreement; and the execution, delivery and performance by Holdings and Merger Sub of this Agreement (including the contemplated issuance of Holdings Common Stock in the Merger in accordance with this Agreement) have been duly authorized by all necessary action on the part of Holdings and Merger Sub and their respective boards of directors. No vote of Holdings's shareholders is needed to adopt this Agreement or approve the Merger. Holdings, in its capacity as the sole shareholder of Merger Sub, has approved and adopted this Agreement. This Agreement constitutes the legal, valid and binding obligation of Holdings and Merger Sub, enforceable against them in accordance with its terms, subject to (i) laws of general application relating to bankruptcy, insolvency and the relief of debtors, and (ii) rules of law governing specific performance, injunctive relief and other equitable remedies.

3.3 Capitalization. The authorized capital stock of Holdings consists of: (i) 250,000,000 shares of common stock, $.0001 par value per share, of which 11,250,000 shares have been issued and are outstanding as of the date of this Agreement; and (ii) 20,000,000 shares of preferred stock, $.001 par value per share, of which no shares have been issued and are outstanding as of the date of this Agreement. Except as set forth above and in the Employment Agreements, there is no: (i) outstanding subscription, option, call, warrant or right (whether or not currently exercisable) to acquire any shares of the capital stock or other securities of Holdings; (ii) outstanding security, instrument or obligation that is or may become convertible into or exchangeable for any shares of the capital stock or other securities of Holdings; or (iii) Contract under which Holdings is or may become obligated to sell or otherwise issue any shares of capital stock or any other securities of Holdings.

3.4 Subsidiaries. Other than Merger Sub, Holdings does not have any Subsidiaries.

3.5 Valid Issuance. Subject to Section 1.6(c), the shares of Holdings Common Stock to be issued pursuant to Section 1.6(a) will, when issued in accordance with the provisions of this Agreement, be validly issued, fully paid and nonassessable.

Section 4. Additional Covenants of the Parties

4.1 Employment Agreements. Prior to the Closing, Holdings shall execute, and CLS Labs shall use its best efforts to cause each of Jeffrey I. Binder and Michael Abrams to execute and deliver to Holdings, the Addenda to their respective Employment Agreements, which are attached hereto as Exhibits B and C, whereby they each agree to perform certain services for Holdings and its Subsidiaries. In connection therewith, Holdings shall authorize the issuance of Holdings Common Stock contemplated by the Addendum to the Employment Agreement with Mr. Abrams.

4.2 Holdings Stock Options and Holdings Common Stock. In connection with entering into the Addenda to the Employment Agreements referenced in Section 4.1, Holdings shall issue 250,000 shares of restricted Holdings Common Stock to Mr. Abrams, in lieu of CLS's Labs obligation to issue CLS Common Stock to Mr. Abrams pursuant to his Employment Agreement, and Holdings shall agree to issue stock options to purchase Holdings Common Stock to each of Mr. Binder and Mr. Abrams as set forth in the Addenda in lieu of CLS Labs' obligations to issue grant such stock options with respect to CLS Common Stock.

4.3 Investment Letters. Each of the CLS Labs shareholders as of immediately prior to the Effective Time shall execute and deliver to Holdings an Investment Letter in the form of Exhibit D.

Section 5. Survival

The representations and warranties made by each of Holdings, CLS Labs and Merger Sub survive the Closing.

Section 6. Miscellaneous Provisions

6.1 Further Assurances. Each party hereto shall execute and cause to be delivered to each other party hereto such instruments and other documents, and shall take such other actions, as such other party may reasonably request (prior to, at or after the Closing) for the purpose of carrying out or evidencing any of the transactions contemplated by this Agreement.

6.2 Fees and Expenses. Each party to this Agreement shall bear and pay all fees, costs and expenses (including legal fees and accounting fees) that have been incurred or that are incurred by such party in connection with the transactions contemplated by this Agreement.

6.3 Attorneys' Fees. If any action or proceeding relating to this Agreement or the enforcement of any provision of this Agreement is brought against any party hereto, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs and disbursements (in addition to any other relief to which the prevailing party may be entitled).

6.4 Notices. Any notice or other communication required or permitted to be delivered to any party under this Agreement shall be in writing and shall be deemed properly delivered, given and received when delivered (by hand, by registered mail, by courier or express delivery service or by facsimile) to the address or facsimile telephone number set forth beneath the name of such party below (or to such other address or facsimile telephone number as such party shall have specified in a written notice given to the other parties hereto):

if to Holdings:

CLS Holdings USA, Inc.
11767 S. Dixie Highway, Suite 115
Miami, FL 33156
Attn: Jeffrey I. Binder
Fax: (305) 238-6248

with a copy to:

Broad and Cassel
1 N. Clematis Street, Suite 500
West Palm Beach, FL 33401
Attn: Kathleen L. Deutsch, P.A.
Fax: (561) 655-1109

if to CLS Labs:

CLS Labs, Inc.
11767 S. Dixie Highway, Suite 115
Miami, FL 33156
Attn: Jeffrey I. Binder
Fax: (305) 238-6248

With a copy to:

Broad and Cassel
1 N. Clematis Street, Suite 500
West Palm Beach, FL 33401
Attn: Kathleen L. Deutsch, P.A.
Fax: (561) 655-1109

6.5 Time of the Essence. Time is of the essence of this Agreement.

6.6 Headings. The underlined headings contained in this Agreement are for convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

6.7 Counterparts. This Agreement may be executed in several counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement.

6.8 Governing Law. This Agreement shall be construed in accordance with, and governed in all respects by, the internal laws of the State of Florida (without giving effect to principles of conflicts of laws).

6.9 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns (if any). None of the parties may assign this Agreement or any rights or obligations hereunder (by operation of law or otherwise) to any Person.

6.10 Remedies Cumulative; Specific Performance. The rights and remedies of the parties hereto shall be cumulative (and not alternative). The parties to this Agreement agree that, in the event of any breach or threatened breach by any party to this Agreement of any covenant, obligation or other provision set forth in this Agreement for the benefit of any other party to this Agreement, such other party shall be entitled (in addition to any other remedy that may be available to it) to (a) a decree or order of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other provision, and (b) an injunction restraining such breach or threatened breach.

6.11 Waiver. No failure on the part of any Person to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any Person in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy. No Person shall be deemed to have waived any claim arising out of this Agreement, or any power, right, privilege or remedy under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such Person; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

6.12 Amendments. This Agreement may not be amended, modified, altered or supplemented other than by means of a written instrument duly executed and delivered on behalf of all of the parties hereto.

6.13 Severability. In the event that any provision of this Agreement, or the application of any such provision to any Person or set of circumstances, shall be determined to be invalid, unlawful, void or unenforceable to any extent, the remainder of this Agreement, and the application of such provision to Persons or circumstances other than those as to which it is determined to be invalid, unlawful, void or unenforceable, shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.

6.14 Parties in Interest. Except for the provisions of Sections 1.5, none of the provisions of this Agreement is intended to provide any rights or remedies to any Person other than the parties hereto and their respective permitted successors and assigns (if any).

6.15 Entire Agreement. This Agreement and the other agreements referred to herein set forth the entire understanding of the parties hereto relating to the subject matter hereof and thereof and supersede all prior agreements and understandings among or between any of the parties relating to the subject matter hereof and thereof.

6.16 Construction.

(a) For purposes of this Agreement, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include the masculine and feminine genders.

(b) The parties hereto agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement.

(c) As used in this Agreement, the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation."

(d) Except as otherwise indicated, all references in this Agreement to "Sections" and "Exhibits" are intended to refer to Sections of this Agreement and Exhibits to this Agreement.

The parties hereto have caused this Agreement to be executed and delivered as of the date first set forth above.

CLS Holdings USA, Inc.,
a Nevada corporation.

By: /s/ Jeffrey I. Binder
Title: Chairman, President and CEO

CLS Labs, Inc.,
a Nevada corporation.

By: /s/ Jeffrey I. Binder
Title: Chairman, President and CEO

CLS Merger, Inc.,
a Nevada corporation.

By: /s/ Jeffrey I. Binder
Title: President and Treasurer

EXHIBIT A

CERTAIN DEFINITIONS

For purposes of the Agreement (including this Exhibit A):

Agreement. "Agreement" shall mean the Agreement and Plan of Merger and Reorganization to which this Exhibit A is attached (including the Merger Sub Disclosure Schedule), as it may be amended from time to time.

CLS Labs Common Stock. "CLS Labs Common Stock" shall mean the common stock of CLS Labs, Inc., no par value per share.

CLS Labs Contract. "CLS Labs Contract" shall mean any Contract: (a) to which CLS Labs is a party; (b) by which CLS Labs or any of its assets is or may become bound or under which CLS Labs has, or may become subject to, any obligation; or (c) under which CLS Labs has or may acquire any right or interest.

CLS Subsidiaries. "CLS Subsidiaries" shall mean CLS Labs Colorado Inc., a Florida corporation, which is a wholly owned subsidiary of CLS Labs; and Cannabis Life Sciences Consulting, LLC, a Florida limited liability company, 51% of the membership interests of which are owned by CLS Labs .

Contract. "Contract" shall mean any written, oral or other agreement, contract, subcontract, lease, understanding, instrument, note, warranty, insurance policy, benefit plan or legally binding commitment or undertaking of any nature.

Employment Agreement. "Employment Agreement" means the employment agreements between CLS Labs and each of Jeffrey I. Binder and Michael Abrams.

Encumbrance. "Encumbrance" shall mean any lien, pledge, hypothecation, charge, mortgage, security interest, encumbrance, claim, infringement, interference, option, right of first refusal, preemptive right, community property interest or restriction of any nature (including any restriction on the voting of any security, any restriction on the transfer of any security or other asset, any restriction on the receipt of any income derived from any asset, any restriction on the use of any asset and any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset).

Entity. "Entity" shall mean any corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company (including any limited liability company or joint stock company), firm or other enterprise, association, organization or entity.

Governmental Authorization. "Governmental Authorization" shall mean any: (a) permit, license, certificate, franchise, permission, clearance, registration, qualification or authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement; or (b) right under any Contract with any Governmental Body.

Governmental Body. "Governmental Body" shall mean any: (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; or (c) governmental or quasi-governmental authority of any nature (including any governmental division, department, agency, commission, instrumentality, official, organization, unit, body or Entity and any court or other tribunal).

Legal Requirement. "Legal Requirement" shall mean any federal, state, local, municipal, foreign or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body.

Material Adverse Effect. A violation or other matter will be deemed to have a "Material Adverse Effect" on CLS Labs if such violation or other matter) has had or could have a material adverse effect on CLS Labs' business, condition, prospects, assets, liabilities, operations, financial performance, or customer relationships.

Holdings Common Stock. "Holdings Common Stock" shall mean the common stock of CLS Holdings USA, Inc., $.0001 par value per share.

Person. "Person" shall mean any individual, Entity or Governmental Body.

Subsidiary. Any Entity shall be deemed to be a "Subsidiary" of another Person if such Person directly or indirectly owns, beneficially or of record, (a) an amount of voting securities or other interests in such Entity that is sufficient to enable such Person to elect at least a majority of the members of such Entity's board of directors or other governing body, or (b) at least 50% of the outstanding equity or financial interests of such Entity.

Surviving Corporation. "Surviving Corporation" shall mean CLS Labs, Inc.

EXHIBIT B

Addendum to Employment Agreement – Binder

ADDENDUM TO EMPLOYMENT AGREEMENT

THIS ADDENDUM TO EMPLOYMENT AGREEMENT (the "Addendum") is made and entered into effective as of this 28th day of April, 2015 (the "Effective Date"), by and among CLS Labs, Inc. ("CLS Labs"), Jeffrey I. Binder (the "Executive"), and CLS Holdings USA, Inc. ("CLS Holdings").

RECITALS

WHEREAS, CLS Labs and the Executive entered into that certain Employment Agreement, dated October 1, 2014 (the "Employment Agreement"), pursuant to which CLS Labs employed the Executive to serve as its President and Chief Executive Officer for a term of five years; and

WHEREAS, CLS Labs and CLS Holdings, among others, plan to enter into that certain Agreement and Plan of Merger, a copy of which is attached hereto, whereby a wholly owned subsidiary of CLS Holdings will merge with and into CLS Labs (the "Merger"), with CLS Labs surviving and becoming a wholly owned subsidiary of CLS Holdings; and

WHEREAS, in anticipation of the Merger, the parties have determined that the Employment Agreement must be amended to properly reflect their intentions regarding the duties, responsibilities and compensation of the Executive.

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Recitals. The above recitals are true and correct and are incorporated herein and made a part hereof by this reference.

2 . Duties and Responsibilities. Executive agrees that in addition to his duties, responsibilities and obligations to CLS Labs under Section 2 of the Employment Agreement, upon consummation of the Merger, he shall serve CLS Holdings and/or its subsidiaries in such capacity as may be requested by the Board of Directors of CLS Holdings from time to time in its discretion during the term of the Employment Agreement.

3 . Stock Options. In exchange for Executive's agreement to serve CLS Holdings and its subsidiaries in such capacity as the Board of Directors of CLS Holdings may request, CLS Holdings agrees to grant to the Executive an annual option to purchase shares of common stock pursuant to Section 3(h) of the Employment Agreement. As such, following the Merger, options to purchase shares of CLS Holdings' common stock shall be granted to Executive in lieu of options to purchase shares of CLS Labs' common stock. All other terms, restrictions and procedures set forth in Section 3(h) shall remain in effect.

4 . Ratification of Employment Agreement. Except as modified by this Addendum, the Employment Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties or their duly authorized representatives have signed this Addendum as of the Effective Date.

CLS LABS, INC.

By /s/ Blanca Barker
Name: Blanca Barker
Title: Secretary

EXECUTIVE

/s/ Jeffrey I. Binder
Jeffrey I. Binder

CLS HOLDINGS USA, INC.

By: /s/ Jeffrey I. Binder
Name: Jeffrey I. Binder
Title: Chairman, President and CEO

EXHIBIT C

Addendum to Employment Agreement – Abrams

ADDENDUM TO EMPLOYMENT AGREEMENT

THIS ADDENDUM TO EMPLOYMENT AGREEMENT (the "Addendum") is made and entered into effective as of this 28th day of April, 2015 (the "Effective Date"), by and among CLS Labs, Inc. ("CLS Labs"), Michael Abrams (the "Executive"), and CLS Holdings USA, Inc. ("CLS Holdings").

RECITALS

WHEREAS, CLS Labs and the Executive entered into that certain Employment Agreement, dated October 1, 2014 (the "Employment Agreement"), pursuant to which CLS Labs employed the Executive to serve as its Chief Operating Officer for a term of five years; and

WHEREAS, CLS Labs and CLS Holdings, among others, plan to enter into that certain Agreement and Plan of Merger, a draft of which is attached hereto, whereby a wholly owned subsidiary of CLS Holdings will merge with and into CLS Labs (the "Merger"), with CLS Labs surviving and becoming a wholly owned subsidiary of CLS Holdings; and

WHEREAS, in anticipation of the Merger, the parties have determined that the Employment Agreement must be amended to properly reflect their intentions regarding the duties, responsibilities and compensation of the Executive.

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Recitals. The above recitals are true and correct and are incorporated herein and made a part hereof by this reference.

2 . Duties and Responsibilities. Executive agrees that in addition to his duties, responsibilities and obligations to CLS Labs under Section 2 of the Employment Agreement, upon consummation of the Merger, he shall serve CLS Holdings and/or its subsidiaries in such capacity as may be requested by the Board of Directors of CLS Holdings from time to time in its discretion during the term of the Employment Agreement.

3 . Stock Options. In exchange for Executive's agreement to serve CLS Holdings and its subsidiaries in such capacity as the Board of Directors of CLS Holdings may request, CLS Holdings agrees to grant to the Executive an annual option to purchase shares of common stock pursuant to Section 3(h) of the Employment Agreement. All other terms, restrictions and procedures set forth in Section 3(h) shall remain in effect, with options to purchase shares of CLS Holdings' common stock being granted to Executive in lieu of options to purchase shares of CLS Labs' common stock under Section 3(h) of the Employment Agreement.

4. Restricted Stock Signing Bonus. In exchange for Executive's agreement to serve CLS Holdings and its subsidiaries in such capacity as the Board of Directors of CLS Holdings may request, CLS Holdings agrees to issue to Executive, upon the consummation of the Merger, 250,000 shares of restricted common stock of CLS Holdings in lieu of all obligations of CLS Labs to issue restricted stock to the Executive pursuant to Section 3(i) of the Employment Agreement. The grant of such restricted shares shall be evidenced by a restricted stock grant agreement that contains the terms set forth in Section 3(i) of the Employment Agreement and other provisions generally applicable to CLS Holdings' restricted stock.

5 . Ratification of Employment Agreement. Except as modified by this Addendum, the Employment Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties or their duly authorized representatives have signed this Addendum as of the Effective Date.

CLS LABS, INC.

By: /s/ Jeffrey I. Binder
Name: Jeffrey I. Binder
Title: Chairman, President and CEO

EXECUTIVE

/s/ Michael Abrams
Michael Abrams

CLS HOLDINGS USA, INC.

By: /s/ Jeffrey I. Binder
Name: Jeffrey I. Binder
Title: Chairman, President and CEO

EXHIBIT D

Form of Investment Letter

INVESTMENT LETTER

TO: CLS Holdings USA, Inc.
Attn: Jeffrey I. Binder
Chairman, President and Chief Executive Officer

In connection with the issuance of Five Million (5,000,000) shares of the common stock (the "Shares") of CLS Holdings USA, Inc., a Nevada corporation (the "Corporation"), to _____ (the "Subscriber") pursuant to that certain Agreement and Plan of Merger dated _____ __, 2015, by and between the Corporation, CLS Labs, Inc. and CLS Merger, Inc., the Subscriber acknowledges, represents, warrants, covenants and agrees as follows:

1. The Subscriber represents that:

(a) The Subscriber is acquiring the Shares for his own account, for investment and not with a view to, or for resale in connection with, the distribution thereof and that he has no present intention of distributing the Shares;

(b) The Subscriber possesses such knowledge and experience in financial and business matters pertaining to the type of business conducted by the Corporation and otherwise, that he is capable of evaluating the merits and risks of an investment in the Shares;

(c) The Subscriber is fully familiar with the Corporation and its business, operations, condition (financial and other), assets, liabilities and prospects and has had access to any and all material information it deems necessary or appropriate to enable the Subscriber to make an investment decision in connection with the purchase of the Shares; and

(d) The Subscriber's financial situation is such that he can afford to bear the economic risk of holding the Shares for an indefinite period of time and can afford to suffer a complete loss of his investment in the Shares.

2. The Subscriber understands and acknowledges that:

(a) The Shares have not been registered pursuant to the Securities Act of 1933, as amended (the "Act"), or any state securities laws, that the Subscriber may not transfer, resell or otherwise dispose of the Shares except pursuant to a registration statement in compliance with the Act and any applicable state securities laws, unless exemptions from the registration requirements of the Act and any applicable state securities laws are available that the Subscriber must, therefore, bear the economic risks of an investment in the Shares for an indefinite period of time;

(b) The Corporation is under no obligation to register the Shares pursuant to the Act or any state securities laws or to comply with or make available any exemption from the registration requirements thereof;

(c) Any certificates representing the Shares will contain a legend to the effect that the Shares cannot be transferred, resold or otherwise disposed of except in compliance with the Act and any applicable state securities laws;

(d) A "stop-transfer" order will be issued with respect to the Shares to effectuate the foregoing restrictions of the Shares and the Corporation shall have no obligation to effect any purported transfer of the Shares except upon demonstration of compliance with the foregoing restrictions; and

(e) The Subscriber has had the opportunity to ask questions of the Corporation and its representatives and receive answers from the Corporation and its representatives concerning the Corporation and the Subscriber's investment in the Shares and to obtain additional information possessed by the Corporation, or obtainable without unreasonable effort or expense, that is necessary to verify the accuracy of the information furnished to the Subscriber.

3. The Subscriber covenants and agrees that he will not sell, pledge, encumber, hypothecate, assign, transfer or otherwise dispose of the Shares or any interest therein, or make any offer to attempt to do any of the foregoing, except (a) pursuant to a registration statement in compliance with the Act and all applicable state securities laws, or in a transaction which, in the opinion of counsel for the Corporation, is exempt from the registration requirements thereof; and (b) in accordance with the terms and conditions set forth in the bylaws of the Corporation.

The Subscriber understands and acknowledges that the Corporation will rely upon the acknowledgments, representations, warranties, covenants and agreements contained herein (and any supplemental information provided to the Corporation) for the purpose of determining whether this transaction meets the requirements for an exemption from the registration requirements of the Act and applicable state securities laws. The Subscriber hereby agrees to indemnify and hold harmless the Corporation and its officers, directors, and employees for, from and against any cost, expense, claim, liability or damage arising out of or resulting from any breach of such covenant and agreement including, without limitation, any liability of the Corporation to any third person purchasing any Shares. Further, the Subscriber covenants and agrees that, if there should be any material change with respect to any of the representations and warranties contained herein, after the execution of this Investment Letter and prior to the issuance of the Shares to it, the Subscriber will immediately furnish the revised or corrected information to the Corporation.

EXECUTED this ____ day of _____, 2015.

SUBSCRIBER

B y : _____

Name: _____

Exhibit 4.1

NUMBER

CLS Holdings USA, Inc.

SHARES

INCORPORATED UNDER THE LAWS OF THE STATE OF NEVADA

$0.0001 PAR VALUE COMMON STOCK

CUSIP 12565J100

COMMON STOCK

THIS CERTIFIES THAT

Is The Owner of

FULLY PAID AND NON-ASSESSABLE SHARES OF COMMON STOCK OF
CLS Holdings USA, Inc.

Transferable on the books of the Corporation in person or by duly authorized attorney upon surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

Dated:

COUNTERSIGNED AND REGISTERED:
VSTOCK TRANSFER, LLC
Transfer Agent and Registrar

By: _____
AUTHORIZED SIGNATURE

President

Secretary

Exhibit 10.1

EMPLOYMENT AGREEMENT

This Employment Agreement (hereinafter referred to as "Agreement") is entered into by and between CLS LABS, INC. (formerly RJF Labs, Inc.), a Florida corporation (hereinafter referred to as the "Company") and JEFFREY I. BINDER (hereinafter referred to as "Executive").

1. Term of Employment. The initial term of this Agreement shall be for five (5) years, beginning on October 1, 2014 (the "Effective Date") and ending on September 30, 2019. Upon expiration of the initial term, this Agreement shall automatically renew for successive terms of one (1) year, unless, without limiting the application of Sections 5, 6 and 7 of this Agreement, either party, at least sixty (60) days prior to such renewal, gives the other party written notice of intent not to renew.

2. Duties and Responsibilities. The Company hereby employs Executive as President and Chief Executive Officer with such powers and duties in that capacity as may be established from time to time by the Board of Directors of the Company in its discretion. Executive will devote his entire time, attention and energies to the business of the Company and its affiliates, including a proposed majority-owned subsidiary of the Company that will perform consulting services. During his employment, Executive will not engage in any other business activities, regardless of whether such activity is pursued for profits, gains, or other pecuniary advantage. Executive shall use his best efforts and skill to best promote the business and the interests of the Company. Executive shall at all times use his best efforts to preserve and maintain the business relationships between the Company and its executives, employees, clients, suppliers and vendors.

3. Compensation.

(a) **Base Salary.** During the term of this Agreement, the Company will pay a base salary of One Hundred Fifty Thousand Dollars ($150,000.00) per annum to Executive, payable in installments according to the Company's normal payroll practices and less legal and applicable withholdings.

(b) **Salary Increases.** The Company may, in its sole discretion, increase Executive's salary from time to time, depending on criteria such as Executive's performance and the financial performance of the Company.

(c) **Bonus.** In addition to Executive's base compensation hereunder, Executive shall be entitled to receive, on an annual basis, a performance-based bonus equal to two percent (2%) of the Company's annual earnings before interest, taxes, depreciation and amortization ("EBITDA") up to a maximum annual cash compensation of $1 million including base salary. The bonus shall be payable sixty (60) days following the end of each calendar year during the term of this Agreement. As an express condition of Executive's receipt of the bonus, Executive must be employed with the Company on the last day of the applicable calendar year. Executive shall not be entitled to any partial or pro-rated bonus if Executive is not employed at the end of any calendar year during the term of this Agreement.

(d) **Vacation.** Executive shall be entitled to two weeks' vacation per year during each of the first two years following the Effective Date, three weeks' vacation during the third year following the Effective Date, and four weeks' vacation per year during each year thereafter during the term of this Agreement.

(e) **Holidays, Sick Days and Personal Days.** Executive shall be entitled to paid holidays and sick days in accordance with the Company's policies applicable to all employees.

(f) **Salary Continuation.** If Executive is unable to work due to a physical or mental illness (of a nature that meets the definition of "total disability" for purposes of any Company disability insurance), the Company shall continue Executive's base salary for up to 90 days after Executive first becomes disabled. This provision shall only apply once during the term of this Agreement.

(g) **Health, Life and Disability Insurance and Profit Sharing Plans.** Executive shall be entitled to participate in Company group health, life, disability, stock option, retirement, or 401(k) plans or programs, if and when such plans or programs are offered by the Company, subject to the Executive having met any eligibility requirements for participation therein.

(h) **Stock Options.** (i) The Company shall grant to Executive, effective on the first day of each of the Company's fiscal years throughout the term of this Agreement, an option to purchase a number shares of the Company's common stock equal to 2% of the Company's annual EBITDA for the prior year (or portion thereof within the term of this Agreement), up to $42.5 million in annual EBITDA, and 4% of the Company's annual EBITDA in excess of $42.5 million, which option shall be exercisable at a price per share equal to the fair market value of one share of the common stock on the effective date of the grant (i.e., the first day of each fiscal year of the Company). The term of each option shall be five years. For example, if annual EBITDA was $1 million for the fiscal year, and the fair market value of the options on the first day of the Company's fiscal year was $0.10, the executive would receive options to purchase 200,000 shares (.02 x $1 million, divided by $0.10). The options shall be fully vested on the date of grant and shall include a cashless exercise provision. "Fair market value" of the Company's common stock shall be computed as follows: if the common stock is traded on the OTCBB or the pinks, the fair market value shall be the average bid price for the 40 trading days prior to the effective date of grant; if the common stock is traded on an exchange, including but not limited to Nasdaq or Amex, fair market value shall be the closing price on the day prior to the effective date of grant; if the common stock is not traded on any exchange or quotation system, the fair market value shall be determined by the board of directors of the Company using its reasonable judgment.

(ii) The options shall be extinguished, to the extent not exercised, if Executive is no longer employed by the Company for any reason. If there is a change in the control of more than 50% of the Company's outstanding common stock, any portion of the option that is unvested shall immediately vest upon such change of control. Each option shall be evidenced by an option agreement that contains these terms and other provisions generally applicable to the Company's stock option agreements.

(i) **Automobile.** During the term of Executive's employment, the Company shall provide Executive with Seven Hundred Fifty Dollars ($750) per month as an automobile allowance. This allowance shall be used to lease or purchase an automobile, as well as pay for all repairs, insurance and fuel for such automobile.

(j) **Expense Reimbursement.** The Company shall reimburse Executive for his expenses incurred in providing services to the Company, including expenses for travel, entertainment and similar items, in accordance with the Company's reimbursement policies as determined from time to time by the Board of the Company.

4. Performance Review. The Company shall provide Executive with an interim review and evaluation of his performance on each anniversary of this Agreement. It is contemplated that this review will normally occur in October of each year, but said review may be postponed or delayed in appropriate circumstances. Executive shall be responsible for taking action to initiate the performance review.

5. Death or Disability.

(a) In the event of Executive's death, this Agreement and the Employment's salary and compensation shall automatically end.

(b) Subject to Section 3(f), if Executive becomes unable to perform his employment duties on a full-time basis the during the term of this Agreement, his compensation under this Agreement shall automatically be suspended after any accrued paid time off has been exhausted and shall continue to be suspended until such time as Executive becomes able to resume his job duties for the Company. In the event that Executive becomes unable to perform his employment duties for a cumulative period of six months within any span of twelve months during the term of this Agreement, this Agreement and Executive's employment will be automatically terminated.

6. Termination by Company For Cause. The Company may terminate this Agreement, and Executive's employment, "for cause" at any time. As used herein, "for cause" shall mean any one of the following:

A. The willful breach or habitual neglect by Executive of his job duties and responsibilities after notice by the Company; or

B. Conviction of any felony that should cause Executive to be unfit for continued employment by the Company or prevent Executive from performing his duties hereunder; or

C. Commission of an act of "dishonesty," which act directly or indirectly involves the Company (an act of Executive shall not be deemed to be "dishonest" if Executive took such action in Executive's good faith belief that it was honest and in the best interest of the Company); or

D. Any act or omission deemed as grounds for termination of employees as set forth in the Company's personnel policies in existence at the time; or

E. A material breach of this Agreement, after notice and an opportunity to cure.

In the event the Company terminates Executive's employment for cause, Executive's salary and any additional cash or equity compensation that would otherwise be payable for that calendar year and prior years and subsequent years shall automatically terminate and be forfeited.

7. Effect on Stock Options in Event of Termination. Upon termination of this Agreement by the Company for cause, any stock options granted, or to be granted, pursuant to Section 3(h) hereof that have not been earned or vested as of the date of termination shall be cancelled. Upon termination of this Agreement by the Company without cause, any stock options granted pursuant to Section 3(h) hereof that have been earned, if applicable, but are not vested shall vest immediately upon the date of termination.

8. Cooperation. Upon the termination of this Agreement for any reason, Executive agrees to cooperate with the Company in effecting a smooth transition of the management of the Company with respect to the duties and responsibilities, which Executive performed for the Company. Further, after termination of this Agreement, Executive will upon reasonable notice, furnish such information and proper assistance to the Company as it may reasonably require in connection with any litigation to which the Company is or may become party.

9. Confidentiality, Non-Compete and Property Rights. As a material inducement to the Company to enter into this Agreement, Executive has executed and delivered, or will execute and deliver, effective as of the Effective Date, a Confidentiality, Non-Compete and Property Rights Agreement ("Non-Compete Agreement") in substantially the form attached hereto as **Exhibit A**.

10. Resolution of Disputes by Arbitration. Any claim or controversy that arises out of or relates to this Agreement, or the breach of it, will be resolved by arbitration in Miami, Florida in accordance with the rules then existing of the American Arbitration Association. Judgment upon the award rendered may be entered in any court possessing jurisdiction over arbitration awards. This Section shall not limit or restrict the Company's right to obtain injunctive relief for violations of the Non-Compete Agreement. The prevailing party shall be entitled to payment for all costs and reasonable attorneys' fees (both trial and appellate) incurred by the prevailing party in regard to the proceedings.

11. Adequate Consideration. Executive expressly agrees that the Company has provided adequate, reasonable consideration for the obligations imposed upon him in this Agreement.

12. Effect of Prior Agreements. This Agreement supersedes any prior agreement or understanding between the Company and Executive.

13. Limited Effect of Waiver by Company. If the Company waives a breach of any provision of this Agreement by Executive, that waiver will not operate or be construed as a waiver of later breaches by Executive.

14. Notices. All notices and other communications that are required or may be given under this Agreement shall be in writing and shall be delivered personally, by overnight courier or by certified mail, with postage prepaid and with a return receipt requested, addressed to the party concerned at the following addresses:

If to the Company: CLS Labs, Inc.
11767 S. Dixie Highway, Suite 115
Miami, Florida 33156
Attn: Jeffrey I. Binder

With a copy to: Broad and Cassel
1 North Clematis Street, Suite 500
West Palm Beach, Florida 33401
Attn: Kathleen L. Deutsch, P.A.

If to Executive: Jeffrey I. Binder
11767 S. Dixie Highway, Suite 115
Miami, Florida 33156

15. Severability. If any provision of this Agreement is held invalid for any reason, such invalid provision shall be reformed, to the extent possible, to best reflect the intention of the parties, and the other provisions of this Agreement will remain in effect, insofar as they are consistent with law.

16. Assumption of Agreement by Company's Successors and Assigns. At the Company's sole option, the Company's rights and obligations under this Agreement will inure to the benefit and be binding upon the Company's successors and assigns. Executive may not assign his rights and obligations under this Agreement.

17. Applicable Law. Executive and the Company agree that this Agreement shall be subject to, and enforceable under, the laws of the State of Florida, without giving effect to Florida's choice of law provisions.

18. Entire Agreement; Oral Modifications Not Binding. This instrument is the entire Agreement between the Company and Executive with respect to the subject matter hereof. Executive agrees that no other promises or commitments have been made to Executive. This Agreement may be altered by the parties only by a written Agreement signed by the party against whom enforcement of any waiver, change, modification, extension, or discharge is sought.

{signature page to follow}

IN WITNESS WHEREOF, the parties have executed this Employment Agreement on October 1, 2014.

CLS LABS, INC.	**EXECUTIVE**
By: /s/ Blanca Barker	/s/ Jeffrey I. Binder
Name: Blanca Barker	Jeffrey I. Binder
Title: Secretary	

EXHIBIT A

CONFIDENTIALITY, NON-COMPETE AND PROPERTY RIGHTS AGREEMENT

THIS CONFIDENTIALITY, NON-COMPETE AND PROPERTY RIGHTS AGREEMENT (this "Agreement") is made and entered into effective as of the 16th day of July, 2014, between RJF LABS, INC., a Nevada corporation (the "Company"), having its principal place of business at 11767 S. Dixie Highway, Suite 115, Miami, FL 33156, and Jeffrey I. Binder (hereinafter also referred to as "Shareholder"), having an address at 11767 S. Dixie Highway, Suite 115, Miami, FL 33156.

1.0 RECITALS.

1.1 The Company is preparing to engage, directly and indirectly, in the process of extracting cannabinoids from cannabis for sale by the Company and on behalf of third parties for sale by such third parties (the "Business").

1.2 Shareholder is one of three founding shareholders of the Company. As a material inducement to the Company to accept initial capital contributions from each of the other founding shareholders and to raise additional capital and otherwise prepare to engage in the Business, and as a material inducement to each of the other founding shareholders to make initial capital contributions to the Company and to make additional investments of time, effort and other resources to develop and expand the opportunities and financial resources of the Company, Shareholder has agreed to enter into this Agreement with the Company.

2.0 NON-COMPETITION.

2.1 So long as Shareholder owns any shares of stock in the Company and for a period of five (5) years thereafter, Shareholder shall not, without the prior written consent of the Company, except as an officer, director, employee or agent of the Company and for the benefit or on behalf of the Company, directly or indirectly, as an officer, director, employee, agent, partner, shareholder, consultant, independent contractor or otherwise, for Shareholder's own benefit, or on behalf or for the benefit of any person, partnership, trust, corporation or other entity, other than the Company, for any reason whatsoever, (i) engage anywhere in the United States (the "Restricted Territory") in the Business or any other business offering products or services which are substantially similar to or competitive with those offered by the Company or any parent, subsidiary or affiliate of the Company or which are substantially similar to or competitive with any product or service that any of the aforementioned proposes to offer; (ii) invent, design, engineer, develop, manufacture, enhance or take any other action to conceive, make, produce or improve any good, product, process or service which is substantially similar to or competitive with those used or offered by the Company or any parent, subsidiary or affiliate of the Company or which are substantially similar to or competitive with any product or service that any of the aforementioned proposes to use or offer; (iii) interfere with or disrupt, or attempt to interfere with or disrupt, or take any action that could reasonably be expected to interfere with or disrupt, any past, present or prospective relationship, contractual or otherwise, between the Company or any parent, subsidiary or affiliate of the Company, and any customer, client, supplier, vendor, contractor, subcontractor, advertiser, sales representative, or employee of the Company or any parent, subsidiary or affiliate of the Company; (iv) directly or indirectly employ, solicit for employment or attempt to employ or solicit for employment, or assist any other person or entity in employing, soliciting for employment or attempting to employ or solicit for employment, either on a full-time or part-time or consulting basis, any current or former employee, consultant or executive of the Company so long as Shareholder is a shareholder of the Company and for a period of one (1) year thereafter; or (v) communicate from anywhere within or outside the Restricted Territory with or solicit any person or entity located in the Restricted Territory who is an existing or prospective customer of the Company, or any parent, subsidiary or affiliate of the Company for the purpose of providing any product or service to such customer which is substantially similar to or competitive with any product or service which the Company, or any parent, subsidiary or affiliate of the Company, then provides or proposes to provide to such customer.

2.2 Shareholder recognizes that the laws and public policies of Florida and their interpretation may be uncertain as to the validity and enforceability of certain of the provisions contained in Section 2.1 hereof. Shareholder intends that the provisions of Section 2.1 hereof and this Agreement shall be enforced to the fullest extent permissible, and that the unenforceability (or the modification to conform with such laws or public policies) of any provision hereof shall not render unenforceable or impair the remainder of Section 2.1 hereof or this Agreement. Accordingly, if any provision of Section 2.1 hereof is invalid or unenforceable, either in whole or in part, this Agreement shall be deemed to delete or modify, as necessary, the offending provision and to alter the balance of Section 2.1 hereof and the Agreement in order to render the same valid and enforceable to the fullest extent permissible as aforesaid. In the event that the provisions of Section 2.1 hereof are found to exceed the maximum area, period of time or scope which a court of competent jurisdiction can or will enforce, said area, period of time and scope shall, for purposes of this Agreement, consist of the maximum area or period of time or scope which a court of competent jurisdiction can and will enforce.

3.0 CONFIDENTIALITY.

3.1 Shareholder understands and agrees that the term Confidential Information as used in this Agreement shall mean: (i) all of the Company's technologies, inventions, discoveries, developments, modifications, improvements, procedures, processes, ideas, innovations, systems, know-how, literary property, and products, and all information concerning or relating thereto, including all of the foregoing contributed by Shareholder pursuant to this Agreement or otherwise, if any, together with any and all rights in or to the foregoing, including, but not limited to, copyrights, patents, trademarks, and trade secrets; (ii) all of the Company's research and development projects, processes, procedures and other activities, including, without limitation, all technologies, products, and projects in planning or under development including Company Work Product, hereinafter defined, produced by Shareholder, and all know-how and other information relating thereto; (iii) all of the Company's formal and informal market information, market analysis and market evaluation, including existing and prospective market segments, market share, and marketing plans, (iv) the identity of the Company's existing customers and all information concerning their current and future requirements, (v) all information supplied by or concerning the Company's customers, or any business in which any of the Company's customers are engaged or contemplate becoming engaged, (vi) the identity of prospective customers of the Company, and the Company's estimates and projections of prospective customer's current and future requirements, (vii) the Company's business plans, policies and practices, including, pricing strategies, policies and practices, (viii) the Company's production strategies, formulas, procedures, policies and practices, (ix) the identity of the Company's advertisers, vendors, suppliers, contractors, and subcontractors, (x) all confidential information belonging to the Company or any parent, subsidiary or affiliate of the Company, and (xi) all other information disclosed to Shareholder or known to Shareholder through or as a consequence of any position Shareholder may hold with the Company or a result of owning Company stock concerning the Company's business or any aspect thereof which is not generally known by the public.

3.2 Shareholder agrees that Shareholder shall not, without the Company's prior written consent use, release or disclose any Confidential Information, in whole or in part, in any manner whatsoever, except as required in the performance of the duties of any position Shareholder may hold or engagement Shareholder may have with the Company, and except in connection with any suit or proceeding concerning the interpretation or enforcement of this Agreement.

3.3 Shareholder agrees that Shareholder will not remove, reproduce, or otherwise endeavor to retain any record of any Confidential Information and shall return all Confidential Information to the Company in Shareholder's possession at the time any position Shareholder may hold or engagement Shareholder may have with the Company terminates and any time upon written demand by the Company. Shareholder acknowledges that this obligation to return Confidential Information does not constitute permission or consent to remove, reproduce, or otherwise endeavor to create or retain any record of any Confidential Information at any time except as expressly otherwise authorized by the Company.

4.0 PROPERTY RIGHTS.

4.1 Shareholder understands that the term Company Work Product as used in this Agreement shall mean all inventions, discoveries, developments, modifications, improvements, procedures, processes, ideas, innovations, systems, know-how, literary property, products and other work product. Shareholder agrees that all Company Work Product made or conceived by Shareholder, alone or jointly with others, and all improvements and enhancements thereto, so long as Shareholder owns any shares of stock in the Company, which relates in any manner to the Business or any business, technology, product or project of the Company or any parent, subsidiary or affiliate of the Company is then engaged or in which any of the aforementioned then contemplate becoming engaged, and any and all rights in or to such Company Work Product, including, but not limited to, copyrights, patents, trademarks, and trade secrets shall belong to the Company.

4.2 Shareholder hereby assigns all Company Work Product to the Company, and hereby acknowledges the receipt and sufficiency of good and valuable consideration for such assignment. Shareholder agrees that to the extent that any Company Work Product is copyrightable, the Company may affix such notices and take such other steps as the Company deems appropriate, at the Company's expense, to secure and perfect copyright protection in such Company Work Product. Shareholder further agrees to the extent any Company Work Product is patentable, the Company may take such steps as the Company deems appropriate, at the Company's expense, to file and prosecute any patent application in Shareholder's name or in the name of the Company in the United States or elsewhere, and Shareholder shall, upon request, further assign all such applications and/or patents resulting therefrom to the Company.

4.3 Shareholder specifically agrees that Company Work Product shall include all inventions, discoveries, developments, modifications, improvements, procedures, processes, ideas, innovations, systems, know-how, literary property, products and other work product conceived or made by Shareholder, alone or jointly with others: (i) during my working hours while employed or otherwise engaged by the Company; or (ii) during or after working hours, if made or conceived with the use of the premises, equipment, supplies or Confidential Information of the Company or any parent, subsidiary or affiliate of the Company, even if Shareholder disputes that such Company Work Product relates to the Business or any business, technology, product or project of the Company or any parent, subsidiary or affiliate of the Company.

4.4 Shareholder agrees that all of Shareholder's papers, memoranda, workbooks, notes, other documents, electronic data files and records relating to Company Work Product are the sole and exclusive property of the Company and Shareholder shall deliver the same to the Company upon expiration or any termination of any position Shareholder may hold or engagement Shareholder may have with the Company and any time upon written demand by the Company.

5.0 CERTAIN ACKNOWLEDGMENTS.

5.1 Shareholder acknowledges that by virtue of Shareholder's ownership of shares of stock in the Company, Shareholder will participate in the development of or receive, or otherwise have access to, the Company's strategic information and plans, including without limitation (i) the Company's formal and informal market information, market analysis, and market evaluation, including existing and prospective market segments, market share, and marketing plans, (ii) the identity of the Company's existing customers and their current and future requirements, (iii) the identity of prospective customers of the Company, and the Company's estimates and projections of their current and future requirements, (iv) the Company's business plans, policies and practices, including, pricing strategies, policies and practices, (v) product information, analysis and development, (vi) all of the Company's research and development projects, processes, procedures and other activities, including, without limitation, all technologies, products, and projects in planning or under development and all know-how and other information relating thereto. Shareholder acknowledges that this information will account, in large part, for the Company's goodwill and competitive ability, and that the Company has a valid and legitimate interest in protecting this information by constraining Shareholder's current other and subsequent employment and business activities as provided in Section 2.0 hereof and by restraining Shareholder's use of Confidential Information as provided in Section 3.0 hereof.

5.2 Shareholder acknowledges and agrees that the limitations concerning time, nature and geographic scope imposed by this Agreement upon Shareholder's current other and subsequent employment and business activities are reasonable and fair, and will not prevent Shareholder from earning, or materially impair Shareholder's ability to earn, a livelihood. Shareholder further acknowledges that any violation of any term or provision of this Agreement will have a substantial detrimental effect on the Company and its ability to meet its obligations. Shareholder has carefully considered the nature and extent of the restrictions placed upon Shareholder and the rights and remedies conferred upon the Company under the provisions of this Agreement and believes that the same are reasonable in time, scope and territory.

5.3 Shareholder acknowledges that any violation by Shareholder of any of the covenants or agreements contained in Sections 2.0 or 3.0 hereof would cause irreparable injury to the Company for which money damages may not be wholly adequate. Shareholder agrees that the Company shall be entitled to temporary and permanent injunctive relief to enforce the provisions of these Sections in addition to any other rights or remedies available at law or in equity.

5.4 Shareholder acknowledges that the Company's legal counsel prepared this Agreement, and that:

(a) a conflict exists between the Company's interests and Shareholder's interests in connection with this Agreement;

(b) The Company's counsel has only represented the interests of the Company in the preparation of this Agreement and Shareholder has been advised to seek the advice of independent counsel; and

(c) Shareholder has had an adequate opportunity to seek the advice of independent counsel.

5.5 Shareholder agrees that the obligations of this Agreement shall survive the expiration and any termination of any position Shareholder may hold or any engagement Shareholder may have with the Company, even if such termination is occasioned by the Company's breach of any existing or future consulting, employment or other contract or agreement between Shareholder and the Company or the Company's wrongful termination of any such engagement or employment with the Company.

5.6 Shareholder agrees that for purposes of this Agreement, affiliates of the Company shall mean any person or entity who directly or indirectly controls the Company and any entity directly or indirectly under common control with the Company.

6.0 DISCLOSURE OF AGREEMENT. Shareholder agrees that the Company may make known to others the existence of and/or the provisions of all or any part of this Agreement.

7.0 RIGHT TO ENGAGEMENT OR EMPLOYMENT. Shareholder acknowledges that this Agreement does not confer upon Shareholder any right to engagement or employment with the Company and that this Agreement shall not interfere in any way with the right of the Company to terminate Shareholder's employment or engagement with the Company, if any, at any time.

8.0 AUTHORITY. Shareholder acknowledges and agrees that Shareholder has no authority to act for or in the name or on behalf of the Company, or to otherwise bind the Company by virtue of this Agreement without the express prior written consent of the Company.

9.0 ASSIGNMENT AND THIRD PARTY BENEFICIARIES. Shareholder agrees that this Agreement, including, without limitation, the provisions of Sections 2.0 and 3.0 hereof, may be assigned, without advance notice to Shareholder and/or without Shareholder's consent, by the Company in whole or in part to any purchaser or other transferee of the business by merger, reorganization or otherwise, or by purchase and sale of all or substantially all of the assets of the Company or to any parent, subsidiary or affiliate of the Company. This Agreement, including, without limitation, the provisions of Sections 2.0 and 3.0 hereof, shall be binding upon and inure to the benefit of the Company and Shareholder, the parties' respective heirs, personal representatives, successors and permitted assigns. Each parent, subsidiary and affiliate of the Company is an intended third party beneficiary of Sections 2.0 and 3.0 hereof and shall have the right to enforce these provisions in its own name or in the name of the Company.

10.0 MISCELLANEOUS.

10.1 Governing Law. Shareholder agrees that this Agreement shall be construed and interpreted, and all the rights of Shareholder and the Company determined and enforced in accordance with Florida law without regard to choice of law provisions. Shareholder hereby submits to the jurisdiction of Florida courts and the federal courts located in Florida. Shareholder agrees that proper venue for any suit concerning this Agreement shall be Miami-Dade County, Florida if in state court and the Southern District of Florida if in federal court. Shareholder waives all defenses to any suit filed in Florida courts in Miami-Dade County, Florida or federal court in the Southern District of Florida, based upon improper venue or forum of nonconveniens. Shareholder waives trial by jury in any action brought to enforce or interpret this Agreement.

10.2 **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not effect the validity or enforceability of any other provision of this Agreement and the Agreement shall be construed and enforced in all respects as if the invalid or unenforceable provision is reformed in the same manner as provided for Section 2.1 in Section 2.2 hereof.

10.3 **Notice.** Any notice required or permitted by this Agreement may be hand delivered or sent by overnight courier or United States Mail, return receipt requested, to Shareholder or the Company at the address for such party set forth in the introductory provision of this Agreement.

10.4 **Amendments.** This Agreement may only be amended, modified or changed by written agreement executed by the Company and Shareholder.

10.5 **Capitalized Terms and Headings.** The parties agree that each capitalized term used in this Agreement shall have the meaning ascribed to it at the point where it is first defined, irrespective of where it is used, with the same effect as if the definition of such term is set forth in full and at length in each instance that the term is used. The parties agree that all captions and headings contained in this Agreement are provided for convenience only and shall not be considered in construing, interpreting or enforcing this Agreement.

10.6 **Non-Waiver.** The Company's failure to enforce strict performance of any covenant, term, condition, promise, agreement or undertaking set forth in this Agreement shall not be construed as a waiver or relinquishment of any other covenant, term, condition, promise, agreement or undertaking set forth herein, or a waiver or relinquishment of the same covenant, term, condition, promise, agreement or undertaking at any time in the future.

10.7 **Litigation.** In the event suit is filed to construe or enforce this Agreement, the prevailing party in such suit shall be entitled to an award of all costs and expenses incurred in connection therewith, including, but not limited to, reasonable attorneys' fees and costs through trial, appeal and post judgment proceedings.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Shareholder and the Company have executed this Agreement as of the date first above written.

Signed, sealed and delivered
In the presence of:

RJF LABS, INC., a Nevada corporation

By: /s/ Blanca Barker
Name: Blanca Barker
Title: Secretary

SHAREHOLDER

By: /s/ Jeffrey I. Binder
Name: Jeffrey I. Binder

Exhibit 10.2

ADDENDUM TO EMPLOYMENT AGREEMENT

THIS ADDENDUM TO EMPLOYMENT AGREEMENT (the "Addendum") is made and entered into effective as of this 28th day of April, 2015 (the "Effective Date"), by and among CLS Labs, Inc. ("CLS Labs"), Jeffrey I. Binder (the "Executive"), and CLS Holdings USA, Inc. ("CLS Holdings").

RECITALS

WHEREAS, CLS Labs and the Executive entered into that certain Employment Agreement, dated October 1, 2014 (the "Employment Agreement"), pursuant to which CLS Labs employed the Executive to serve as its President and Chief Executive Officer for a term of five years; and

WHEREAS, CLS Labs and CLS Holdings, among others, plan to enter into that certain Agreement and Plan of Merger, a copy of which is attached hereto, whereby a wholly owned subsidiary of CLS Holdings will merge with and into CLS Labs (the "Merger"), with CLS Labs surviving and becoming a wholly owned subsidiary of CLS Holdings; and

WHEREAS, in anticipation of the Merger, the parties have determined that the Employment Agreement must be amended to properly reflect their intentions regarding the duties, responsibilities and compensation of the Executive.

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Recitals. The above recitals are true and correct and are incorporated herein and made a part hereof by this reference.

2 . Duties and Responsibilities. Executive agrees that in addition to his duties, responsibilities and obligations to CLS Labs under Section 2 of the Employment Agreement, upon consummation of the Merger, he shall serve CLS Holdings and/or its subsidiaries in such capacity as may be requested by the Board of Directors of CLS Holdings from time to time in its discretion during the term of the Employment Agreement.

3 . Stock Options. In exchange for Executive's agreement to serve CLS Holdings and its subsidiaries in such capacity as the Board of Directors of CLS Holdings may request, CLS Holdings agrees to grant to the Executive an annual option to purchase shares of common stock pursuant to Section 3(h) of the Employment Agreement. As such, following the Merger, options to purchase shares of CLS Holdings' common stock shall be granted to Executive in lieu of options to purchase shares of CLS Labs' common stock. All other terms, restrictions and procedures set forth in Section 3(h) shall remain in effect.

4 . Ratification of Employment Agreement. Except as modified by this Addendum, the Employment Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties or their duly authorized representatives have signed this Addendum as of the Effective Date.

CLS LABS, INC.

By: /s/ Blanca Barker
Name: Blanca Barker
Title: Secretary

EXECUTIVE

/s/ Jeffrey I. Binder
Jeffrey I. Binder

CLS HOLDINGS USA, INC.

By: /s/ Jeffrey I. Binder
Name: Jeffrey I. Binder
Title: Chairman, President and CEO

Exhibit 10.3

EMPLOYMENT AGREEMENT

This Employment Agreement (hereinafter referred to as "Agreement") is entered into by and between RJF LABS, INC., a Florida corporation (hereinafter referred to as the "Company") and MICHAEL ABRAMS (hereinafter referred to as "Executive").

1. Term of Employment. The initial term of this Agreement shall be for five (5) years, beginning on October 1, 2014 (the "Effective Date") and ending on September 30, 2019. Upon expiration of the initial term, this Agreement shall automatically renew for successive terms of one (1) year, unless, without limiting the application of Sections 5, 6 and 7 of this Agreement, either party, at least sixty (60) days prior to such renewal, gives the other party written notice of intent not to renew.

2. Duties and Responsibilities. The Company hereby employs Executive as Chief Operating Officer with such powers and duties in that capacity as may be established from time to time by the Board of Directors of the Company in its discretion. Executive will devote his entire time, attention and energies to the business of the Company and its affiliates, including a proposed majority-owned subsidiary of the Company that will perform consulting services. During his employment, Executive will not engage in any other business activities, regardless of whether such activity is pursued for profits, gains, or other pecuniary advantage. Executive shall use his best efforts and skill to best promote the business and the interests of the Company. Executive shall at all times use his best efforts to preserve and maintain the business relationships between the Company and its executives, employees, clients, suppliers and vendors.

3. Compensation.

(a) **Base Salary.** During the term of this Agreement, the Company will pay a base salary of One Hundred Fifty Thousand Dollars ($150,000.00) per annum to Executive, payable in installments according to the Company's normal payroll practices and less legal and applicable withholdings.

(b) **Salary Increases.** The Company may, in its sole discretion, increase Executive's salary from time to time, depending on criteria such as Executive's performance and the financial performance of the Company.

(c) **Bonus.** In addition to Executive's base compensation hereunder, Executive shall be entitled to receive, on an annual basis, a performance-based bonus equal to two percent (2%) of the Company's annual earnings before interest, taxes, depreciation and amortization ("EBITDA") up to a maximum annual cash compensation of $1 million including base salary. The bonus shall be payable sixty (60) days following the end of each calendar year during the term of this Agreement. As an express condition of Executive's receipt of the bonus, Executive must be employed with the Company on the last day of the applicable calendar year. Executive shall not be entitled to any partial or pro-rated bonus if Executive is not employed at the end of any calendar year during the term of this Agreement.

(d) **Vacation.** Executive shall be entitled to two weeks' vacation per year during each of the first two years following the Effective Date, three weeks' vacation during the third year following the Effective Date, and four weeks' vacation per year during each year thereafter during the term of this Agreement.

(e) **Holidays, Sick Days and Personal Days.** Executive shall be entitled to paid holidays and sick days in accordance with the Company's policies applicable to all employees.

(f) **Salary Continuation.** If Executive is unable to work due to a physical or mental illness (of a nature that meets the definition of "total disability" for purposes of any Company disability insurance), the Company shall continue Executive's base salary for up to 90 days after Executive first becomes disabled. This provision shall only apply once during the term of this Agreement.

(g) **Health, Life and Disability Insurance and Profit Sharing Plans.** Executive shall be entitled to participate in Company group health, life, disability, stock option, retirement, or 401(k) plans or programs, if and when such plans or programs are offered by the Company, subject to the Executive having met any eligibility requirements for participation therein.

(h) **Stock Options.** (i) The Company shall grant to Executive, effective on the first day of each of the Company's fiscal years throughout the term of this Agreement, an option to purchase a number shares of the Company's common stock equal to 2% of the Company's annual EBITDA for the prior year (or portion thereof within the term of this Agreement), up to $42.5 million in annual EBITDA, and 4% of the Company's annual EBITDA in excess of $42.5 million, which option shall be exercisable at a price per share equal to the fair market value of one share of the common stock on the effective date of the grant (i.e., the first day of each fiscal year of the Company). The term of each option shall be five years. For example, if annual EBITDA was $1 million for the fiscal year, and the fair market value of the options on the first day of the Company's fiscal year was $0.10, the executive would receive options to purchase 200,000 shares (.02 x $1 million, divided by $0.10). The options shall be fully vested on the date of grant and shall include a cashless exercise provision. "Fair market value" of the Company's common stock shall be computed as follows: if the common stock is traded on the OTCBB or the pinks, the fair market value shall be the average bid price for the 40 trading days prior to the effective date of grant; if the common stock is traded on an exchange, including but not limited to Nasdaq or Amex, fair market value shall be the closing price on the day prior to the effective date of grant; if the common stock is not traded on any exchange or quotation system, the fair market value shall be determined by the board of directors of the Company using its reasonable judgment.

(ii) The options shall be extinguished, to the extent not exercised, if Executive is no longer employed by the Company for any reason. If there is a change in the control of more than 50% of the Company's outstanding common stock, any portion of the option that is unvested shall immediately vest upon such change of control. Each option shall be evidenced by an option agreement that contains these terms and other provisions generally applicable to the Company's stock option agreements.

(i) **Restricted Stock Signing Bonus.** The Company shall grant to Executive, on the Effective Date, 250,000 shares of restricted common stock in the Company. The shares shall become fully vested, and the restrictions removed, one year after the Effective Date assuming the Executive remains employed by the Company on such date. The grant of such restricted shares shall be evidenced by a restricted stock grant agreement that contains these terms and other provisions generally applicable to the Company's restricted stock, including the restrictions that Executive may not sell, transfer, pledge or assign such restricted shares, may not vote such restricted shares, and will not have the right to receive any dividends on the restricted shares until such restrictions are removed.

(j) **Automobile.** During the term of Executive's employment, the Company shall provide Executive with Seven Hundred Fifty Dollars ($750) per month as an automobile allowance. This allowance shall be used to lease or purchase an automobile, as well as pay for all repairs, insurance and fuel for such automobile.

(k) **Expense Reimbursement.** The Company shall reimburse Executive for his expenses incurred in providing services to the Company, including expenses for travel, entertainment and similar items, in accordance with the Company's reimbursement policies as determined from time to time by the Board of the Company.

4. Performance Review. The Company shall provide Executive with an interim review and evaluation of his performance on each anniversary of this Agreement. It is contemplated that this review will normally occur in October of each year, but said review may be postponed or delayed in appropriate circumstances. Executive shall be responsible for taking action to initiate the performance review.

5. Death or Disability.

(a) In the event of Executive's death, this Agreement and the Employment's salary and compensation shall automatically end.

(b) Subject to Section 3(f), if Executive becomes unable to perform his employment duties on a full-time basis the during the term of this Agreement, his compensation under this Agreement shall automatically be suspended after any accrued paid time off has been exhausted and shall continue to be suspended until such time as Executive becomes able to resume his job duties for the Company. In the event that Executive becomes unable to perform his employment duties for a cumulative period of six months within any span of twelve months during the term of this Agreement, this Agreement and Executive's employment will be automatically terminated.

6. Termination by Company For Cause. The Company may terminate this Agreement, and Executive's employment, "for cause" at any time. As used herein, "for cause" shall mean any one of the following:

A. The willful breach or habitual neglect by Executive of his job duties and responsibilities after notice by the Company; or

B. Conviction of any felony that should cause Executive to be unfit for continued employment by the Company or prevent Executive from performing his duties hereunder; or

C. Commission of an act of "dishonesty," which act directly or indirectly involves the Company (an act of Executive shall not be deemed to be "dishonest" if Executive took such action in Executive's good faith belief that it was honest and in the best interest of the Company); or

D. Any act or omission deemed as grounds for termination of employees as set forth in the Company's personnel policies in existence at the time; or

E. A material breach of this Agreement, after notice and an opportunity to cure.

In the event the Company terminates Executive's employment for cause, Executive's salary and any additional cash or equity compensation that would otherwise be payable for that calendar year and prior years and subsequent years shall automatically terminate and be forfeited.

7. Effect on Stock Options in Event of Termination. Upon termination of this Agreement by the Company for cause, any stock options granted, or to be granted, pursuant to Section 3(h) hereof that have not been earned or vested as of the date of termination shall be cancelled. Upon termination of this Agreement by the Company without cause, any stock options granted pursuant to Section 3(h) hereof that have been earned, if applicable, but are not vested shall vest immediately upon the date of termination.

8. Cooperation. Upon the termination of this Agreement for any reason, Executive agrees to cooperate with the Company in effecting a smooth transition of the management of the Company with respect to the duties and responsibilities, which Executive performed for the Company. Further, after termination of this Agreement, Executive will upon reasonable notice, furnish such information and proper assistance to the Company as it may reasonably require in connection with any litigation to which the Company is or may become party.

9. Confidentiality, Non-Compete and Property Rights. As a material inducement to the Company to enter into this Agreement, Executive has executed and delivered, or will execute and deliver, effective as of the Effective Date, a Confidentiality, Non-Compete and Property Rights Agreement ("Non-Compete Agreement") in substantially the form attached hereto as **Exhibit A**. Upon the Effective Date, Executive shall have resigned as an officer, director, and/or employee from any and all businesses with which he is or has been affiliated, including Bolder Ventures, LTD, Ancient Alternatives, LLC, Ocean Ranch Resort, LLC, JCI, LLC, Green Hill Investments, LLC, CannAdvantage, Inc., SilverFox, LLC, Seed to Sale, LLC, Green Life Solutions, LLC, GDP Distributions, LLC, Ideal Extraction Solutions, LLC and Seed to Staff, LLC.

10. Resolution of Disputes by Arbitration. Any claim or controversy that arises out of or relates to this Agreement, or the breach of it, will be resolved by arbitration in Miami, Florida in accordance with the rules then existing of the American Arbitration Association. Judgment upon the award rendered may be entered in any court possessing jurisdiction over arbitration awards. This Section shall not limit or restrict the Company's right to obtain injunctive relief for violations of the Non-Compete Agreement. The prevailing party shall be entitled to payment for all costs and reasonable attorneys' fees (both trial and appellate) incurred by the prevailing party in regard to the proceedings.

11. Adequate Consideration. Executive expressly agrees that the Company has provided adequate, reasonable consideration for the obligations imposed upon him in this Agreement.

12. Effect of Prior Agreements. This Agreement supersedes any prior agreement or understanding between the Company and Executive.

13. Limited Effect of Waiver by Company. If the Company waives a breach of any provision of this Agreement by Executive, that waiver will not operate or be construed as a waiver of later breaches by Executive.

14. Notices. All notices and other communications that are required or may be given under this Agreement shall be in writing and shall be delivered personally, by overnight courier or by certified mail, with postage prepaid and with a return receipt requested, addressed to the party concerned at the following addresses:

If to the Company: RJF Labs, Inc.
11767 S. Dixie Hwy.
Suite 115
Miami, Florida 33156
Attn: Jeffrey Binder

With a copy to: Broad and Cassel
1 North Clematis Street
Suite 500
West Palm Beach, Florida 33401
Attn: Kathleen L. Deutsch, P.A.

If to Executive: Michael Abrams
7442 Mt. Sherman Road
Longmont, CO 80503

15. Severability. If any provision of this Agreement is held invalid for any reason, such invalid provision shall be reformed, to the extent possible, to best reflect the intention of the parties, and the other provisions of this Agreement will remain in effect, insofar as they are consistent with law.

16. Assumption of Agreement by Company's Successors and Assigns. At the Company's sole option, the Company's rights and obligations under this Agreement will inure to the benefit and be binding upon the Company's successors and assigns. Executive may not assign his rights and obligations under this Agreement.

17. Applicable Law. Executive and the Company agree that this Agreement shall be subject to, and enforceable under, the laws of the State of Florida, without giving effect to Florida's choice of law provisions.

18. Entire Agreement; Oral Modifications Not Binding. This instrument is the entire Agreement between the Company and Executive with respect to the subject matter hereof. Executive agrees that no other promises or commitments have been made to Executive. This Agreement may be altered by the parties only by a written Agreement signed by the party against whom enforcement of any waiver, change, modification, extension, or discharge is sought.

{signature page to follow}

IN WITNESS WHEREOF, the parties have executed this Employment Agreement on October 1st, 2014.

RJF LABS, INC.	**EXECUTIVE**
By: /s/ Jeffrey Binder	/s/ Michael Abrams
Jeffrey Binder, President	Michael Abrams

EXHIBIT A

CONFIDENTIALITY, NON-COMPETE AND PROPERTY RIGHTS AGREEMENT

THIS CONFIDENTIALITY, NON-COMPETE AND PROPERTY RIGHTS AGREEMENT (this "Agreement") is made and entered into this 1st day of October, 2014, between RJF LABS, INC., a Nevada corporation ("RJF"), having its principal place of business at 11767 S. Dixie Hwy., Suite 115, Miami, Florida, 33156, and Michael Abrams (hereinafter referred to as "Executive"), having an address at 7442 Mt. Sherman Road, Longmont, CO 80503.

1.0 RECITALS.

1.1 RJF, directly and through its future subsidiaries (including majority owned subsidiaries) (collectively, the "Company") is preparing to engage, directly and indirectly, in the process of extracting cannabinoids from cannabis for sale by the Company and on behalf of third parties for sale by such third parties and other related businesses, including consulting businesses, related to the cannabis industry (the "Business").

1.2 Executive has agreed to enter into this Agreement with the Company as a material inducement to the Company to enter into that certain Employment Agreement between the Company and Executive effective October 1, 2014.

2.0 NON-COMPETITION.

2.1 So long as Executive is employed by the Company and for a period of two (2) years thereafter, Executive shall not, without the prior written consent of the Company, except as an officer, director, employee or agent of the Company and for the benefit or on behalf of the Company, directly or indirectly, as an officer, director, employee, agent, partner, shareholder, consultant, independent contractor or otherwise, for Executive's own benefit, or on behalf or for the benefit of any person, partnership, trust, corporation or other entity, other than the Company, for any reason whatsoever, (i) engage anywhere in the United States (the "Restricted Territory") in the Business or any other business offering products or services which are substantially similar to or competitive with those offered by the Company or any parent, subsidiary or affiliate of the Company or which are substantially similar to or competitive with any product or service that any of the aforementioned proposes to offer (except as set forth in the last sentence of this paragraph); (ii) invent, design, engineer, develop, manufacture, enhance or take any other action to conceive, make, produce or improve any good, product, process or service which is substantially similar to or competitive with those used or offered by the Company or any parent, subsidiary or affiliate of the Company or which are substantially similar to or competitive with any product or service that any of the aforementioned proposes to use or offer; (iii) interfere with or disrupt, or attempt to interfere with or disrupt, or take any action that could reasonably be expected to interfere with or disrupt, any past, present or prospective relationship, contractual or otherwise, between the Company or any parent, subsidiary or affiliate of the Company, and any customer, client, supplier, vendor, contractor, subcontractor, advertiser, sales representative, or employee of the Company or any parent, subsidiary or affiliate of the Company; (iv) directly or indirectly employ, solicit for employment or attempt to employ or solicit for employment, or assist any other person or entity in employing, soliciting for employment or attempting to employ or solicit for employment, either on a full-time or part-time or consulting basis, any current or former employee, consultant or executive of the Company so long as Executive is an employee of the Company and for a period of one (1) year thereafter; or (v) communicate from anywhere within or outside the Restricted Territory with or solicit any person or entity located in the Restricted Territory who is an existing or prospective customer of the Company, or any parent, subsidiary or affiliate of the Company for the purpose of providing any product or service to such customer which is substantially similar to or competitive with any product or service which the Company, or any parent, subsidiary or affiliate of the Company, then provides or proposes to provide to such customer. Notwithstanding the restriction in Section 2.1(i), the Executive shall be permitted to do consulting work six (6) months after Executive is no longer employed by the Company.

2.2 Notwithstanding the provisions of Section 2.1 hereof, Executive may hold an ownership interest in certain entities set forth on Exhibit A hereto (the "Permitted Entities"), despite the potential that these entities may offer products or services which are substantially similar to or competitive with those offered by the Company or a parent, subsidiary or affiliate of the Company or which may be substantially similar to or competitive with a product or service that the Company or a parent, subsidiary or affiliate of the Company proposes to offer. Executive's involvement with the Permitted Entities is strictly limited to maintaining an ownership interest therein and Executive is prohibited from engaging in any activity relating to the management, operation or business of the Permitted Entities including, but not limited to, serving as an officer, director or employee thereof.

2.3 Executive recognizes that the laws and public policies of Florida and their interpretation may be uncertain as to the validity and enforceability of certain of the provisions contained in Section 2.1 hereof. Executive intends that the provisions of Section 2.1 hereof and this Agreement shall be enforced to the fullest extent permissible, and that the unenforceability (or the modification to conform to such laws or public policies) of any provision hereof shall not render unenforceable or impair the remainder of Section 2.1 hereof or this Agreement. Accordingly, if any provision of Section 2.1 hereof is invalid or unenforceable, either in whole or in part, this Agreement shall be deemed to delete or modify, as necessary, the offending provision and to alter the balance of Section 2.1 hereof and the Agreement in order to render the same valid and enforceable to the fullest extent permissible as aforesaid. In the event that the provisions of Section 2.1 hereof are found to exceed the maximum area, period of time or scope which a court of competent jurisdiction can or will enforce, said area, period of time and scope shall, for purposes of this Agreement, consist of the maximum area or period of time or scope which a court of competent jurisdiction can and will enforce.

3.0 CONFIDENTIALITY.

3.1 Executive understands and agrees that the term Confidential Information as used in this Agreement shall mean: (i) all of the Company's technologies, inventions, discoveries, developments, modifications, improvements, procedures, processes, ideas, innovations, systems, know-how, literary property, and products, and all information concerning or relating thereto, including all of the foregoing contributed by Executive pursuant to this Agreement or otherwise, if any, together with any and all rights in or to the foregoing, including, but not limited to, copyrights, patents, trademarks, and trade secrets; (ii) all of the Company's research and development projects, processes, procedures and other activities, including, without limitation, all technologies, products, and projects in planning or under development including Company Work Product, hereinafter defined, produced by Executive, and all know-how and other information relating thereto; (iii) all of the Company's formal and informal market information, market analysis and market evaluation, including existing and prospective market segments, market share, and marketing plans, (iv) the identity of the Company's existing customers and all information concerning their current and future requirements, (v) all information supplied by or concerning the Company's customers, or any business in which any of the Company's customers are engaged or contemplate becoming engaged, (vi) the identity of prospective customers of the Company, and the Company's estimates and projections of prospective customer's current and future requirements, (vii) the Company's business plans, policies and practices, including, pricing strategies, policies and practices, (viii) the Company's production strategies, formulas, procedures, policies and practices, (ix) the identity of the Company's advertisers, vendors, suppliers, contractors, and subcontractors, (x) all confidential information belonging to the Company or any parent, subsidiary or affiliate of the Company, and (xi) all other information disclosed to Executive or known to Executive, through or as a consequence of any position Executive may hold with the Company, as a result of owning Company stock, or otherwise, concerning the Company's business or any aspect thereof which is not generally known by the public.

3.2 Executive agrees that Executive shall not, without the Company's prior written consent, use, release or disclose any Confidential Information, in whole or in part, in any manner whatsoever, except as required in the performance of the duties of any position Executive may hold or engagement Executive may have with the Company, and except in connection with any suit or proceeding concerning the interpretation or enforcement of this Agreement.

3.3 Executive agrees that Executive will not remove, reproduce, or otherwise endeavor to retain any record of any Confidential Information and shall return all Confidential Information to the Company in Executive's possession at the time any position Executive may hold or engagement Executive may have with the Company terminates and any time upon written demand by the Company. Executive acknowledges that this obligation to return Confidential Information does not constitute permission or consent to remove, reproduce, or otherwise endeavor to create or retain any record of any Confidential Information at any time except as expressly otherwise authorized by the Company.

4.0 PROPERTY RIGHTS.

4.1 Executive understands that the term Company Work Product as used in this Agreement shall mean all inventions, discoveries, developments, modifications, improvements, procedures, processes, ideas, innovations, systems, know-how, literary property, products and other work product. Executive agrees that all Company Work Product made or conceived by Executive, alone or jointly with others, and all improvements and enhancements thereto, so long as Executive is employed by the Company, which relates in any manner to the Business or any business, technology, product or project of the Company or any parent, subsidiary or affiliate of the Company is then engaged or in which any of the aforementioned then contemplate becoming engaged, and any and all rights in or to such Company Work Product, including, but not limited to, copyrights, patents, trademarks, and trade secrets shall belong to the Company.

4.2 Executive hereby assigns all Company Work Product to the Company, and hereby acknowledges the receipt and sufficiency of good and valuable consideration for such assignment. Executive agrees that to the extent that any Company Work Product is copyrightable, the Company may affix such notices and take such other steps as the Company deems appropriate, at the Company's expense, to secure and perfect copyright protection in such Company Work Product. Executive further agrees to the extent any Company Work Product is patentable, the Company may take such steps as the Company deems appropriate, at the Company's expense, to file and prosecute any patent application in Executive's name or in the name of the Company in the United States or elsewhere, and Executive shall, upon request, further assign all such applications and/or patents resulting therefrom to the Company.

4.3 Executive specifically agrees that Company Work Product shall include all inventions, discoveries, developments, modifications, improvements, procedures, processes, ideas, innovations, systems, know-how, literary property, products and other work product conceived or made by Executive, alone or jointly with others: (i) during my working hours while employed or otherwise engaged by the Company; or (ii) during or after working hours, if made or conceived with the use of the premises, equipment, supplies or Confidential Information of the Company or any parent, subsidiary or affiliate of the Company, even if Executive disputes that such Company Work Product relates to the Business or any business, technology, product or project of the Company or any parent, subsidiary or affiliate of the Company.

4.4 Executive agrees that all of Executive's papers, memoranda, workbooks, notes, other documents, electronic data files and records relating to Company Work Product are the sole and exclusive property of the Company and Executive shall deliver the same to the Company upon expiration or any termination of any position Executive may hold or engagement Executive may have with the Company and any time upon written demand by the Company.

5.0 CERTAIN ACKNOWLEDGMENTS.

5.1 Executive acknowledges that by virtue of Executive's employment with Company, Executive will participate in the development of or receive, or otherwise have access to, the Company's strategic information and plans, including without limitation (i) the Company's formal and informal market information, market analysis, and market evaluation, including existing and prospective market segments, market share, and marketing plans, (ii) the identity of the Company's existing customers and their current and future requirements, (iii) the identity of prospective customers of the Company, and the Company's estimates and projections of their current and future requirements, (iv) the Company's business plans, policies and practices, including, pricing strategies, policies and practices, (v) product information, analysis and development, (vi) all of the Company's research and development projects, processes, procedures and other activities, including, without limitation, all technologies, products, and projects in planning or under development and all know-how and other information relating thereto. Executive acknowledges that this information will account, in large part, for the Company's goodwill and competitive ability, and that the Company has a valid and legitimate interest in protecting this information by constraining Executive's current other and subsequent employment and business activities as provided in Section 2.0 hereof and by restraining Executive's use of Confidential Information as provided in Section 3.0 hereof.

5.2 Executive acknowledges and agrees that the limitations concerning time, nature and geographic scope imposed by this Agreement upon Executive's current other and subsequent employment and business activities are reasonable and fair, and will not prevent Executive from earning, or materially impair Executive's ability to earn, a livelihood. Executive further acknowledges that any violation of any term or provision of this Agreement will have a substantial detrimental effect on the Company and its ability to meet its obligations. Executive has carefully considered the nature and extent of the restrictions placed upon Executive and the rights and remedies conferred upon the Company under the provisions of this Agreement and believes that the same are reasonable in time, scope and territory.

5.3 Executive acknowledges that any violation by Executive of any of the covenants or agreements contained in Sections 2.0 or 3.0 hereof would cause irreparable injury to the Company for which money damages may not be wholly adequate. Executive agrees that the Company shall be entitled to temporary and permanent injunctive relief to enforce the provisions of these Sections in addition to any other rights or remedies available at law or in equity.

5.4 Executive acknowledges that the Company's legal counsel prepared this Agreement, and that:

(a) a conflict exists between the Company's interests and Executive's interests in connection with this Agreement;

(b) the Company's counsel has only represented the interests of the Company in the preparation of this Agreement and Executive has been advised to seek the advice of independent counsel; and

(c) Executive has had an adequate opportunity to seek the advice of independent counsel.

5.5 Executive agrees that the obligations of this Agreement shall survive the expiration and any termination of any position Executive may hold or any engagement Executive may have with the Company, even if such termination is occasioned by the Company's breach of any existing or future consulting, employment or other contract or agreement between Executive and the Company or the Company's wrongful termination of any such engagement or employment with the Company.

5.6 Executive agrees that for purposes of this Agreement, affiliates of the Company shall mean any person or entity that directly or indirectly controls the Company and any entity directly or indirectly under common control with the Company.

6.0 DISCLOSURE OF AGREEMENT. Executive agrees that the Company may make known to others the existence of and/or the provisions of all or any part of this Agreement.

7.0 RIGHT TO ENGAGEMENT OR EMPLOYMENT. Executive acknowledges that this Agreement does not confer upon Executive any right to engagement or employment with the Company and that this Agreement shall not interfere in any way with the right of the Company to terminate Executive's employment or engagement with the Company at any time.

8.0 AUTHORITY. Executive acknowledges and agrees that this Agreement confers no authority for Executive to act for or in the name or on behalf of the Company, or to otherwise bind the Company without the express prior written consent of the Company.

9.0 ASSIGNMENT AND THIRD PARTY BENEFICIARIES. Executive agrees that this Agreement, including, without limitation, the provisions of Sections 2.0 and 3.0 hereof, may be assigned, without advance notice to Executive and/or without Executive's consent, by the Company in whole or in part to any purchaser or other transferee of the business by merger, reorganization or otherwise, or by purchase and sale of all or substantially all of the assets of the Company or to any parent, subsidiary or affiliate of the Company. This Agreement, including, without limitation, the provisions of Sections 2.0 and 3.0 hereof, shall be binding upon and inure to the benefit of the Company and Executive, the parties' respective heirs, personal representatives, successors and permitted assigns. Each parent, subsidiary and affiliate of the Company is an intended third party beneficiary of Sections 2.0 and 3.0 hereof and shall have the right to enforce these provisions in its own name or in the name of the Company.

10.0 MISCELLANEOUS.

10.1 Governing Law. Executive agrees that this Agreement shall be construed and interpreted, and all the rights of Executive and the Company determined and enforced in accordance with Florida law without regard to choice of law provisions. Executive hereby submits to the jurisdiction of Florida courts and the federal courts located in Florida. Executive agrees that proper venue for any suit concerning this Agreement shall be Miami-Dade County, Florida if in state court and the Southern District of Florida if in federal court. Executive waives all defenses to any suit filed in Florida courts in Miami-Dade County, Florida or federal court in the Southern District of Florida, based upon improper venue or forum of nonconveniens. Executive waives trial by jury in any action brought to enforce or interpret this Agreement.

10.2 Severability. The invalidity or unenforceability of any provision of this Agreement shall not effect the validity or enforceability of any other provision of this Agreement and the Agreement shall be construed and enforced in all respects as if the invalid or unenforceable provision is reformed in the same manner as provided for Section 2.1 in Section 2.3 hereof.

10.3 Notice. Any notice required or permitted by this Agreement may be hand delivered or sent by overnight courier or United States Mail, return receipt requested, to Executive or the Company at the address for such party set forth in the introductory provision of this Agreement.

10.4 Amendments. This Agreement may only be amended, modified or changed by written agreement executed by the Company and Executive.

10.5 Capitalized Terms and Headings. The parties agree that each capitalized term used in this Agreement shall have the meaning ascribed to it at the point where it is first defined, irrespective of where it is used, with the same effect as if the definition of such term is set forth in full and at length in each instance that the term is used. The parties agree that all captions and headings contained in this Agreement are provided for convenience only and shall not be considered in construing, interpreting or enforcing this Agreement.

10.6 Non-Waiver. The Company's failure to enforce strict performance of any covenant, term, condition, promise, agreement or undertaking set forth in this Agreement shall not be construed as a waiver or relinquishment of any other covenant, term, condition, promise, agreement or undertaking set forth herein, or a waiver or relinquishment of the same covenant, term, condition, promise, agreement or undertaking at any time in the future.

10.7 **Litigation.** In the event suit is filed to construe or enforce this Agreement, the prevailing party in such suit shall be entitled to an award of all costs and expenses incurred in connection therewith, including, but not limited to, reasonable attorneys' fees and costs through trial, appeal and post judgment proceedings.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Executive and the Company have executed this Agreement on the date first above written.

RJF LABS, INC., a Nevada corporation

By: /s/ Jeffrey Binder
Jeffrey Binder, President

EXECUTIVE

By: /s/ Michael Abrams
Michael Abrams

EXHIBIT A

Companies/Entities in which Michael Abrams has ownership:

- Bolder Ventures, LTD
- Ancient Alternatives, LLC
- Ocean Ranch Resort, LLC
- JCI, LLC
- Green Hill Investments, LLC
- CannAdvantage, Inc.
- SilverFox, LLC
- Seed to Sale, LLC
- Green Life Solutions, LLC
- GDP Distributions, LLC
- Ideal Extraction Solutions, LLC
- Seed to Staff, LLC

Exhibit 10.4

ADDENDUM TO EMPLOYMENT AGREEMENT

THIS ADDENDUM TO EMPLOYMENT AGREEMENT (the "Addendum") is made and entered into effective as of this 28th day of April, 2015 (the "Effective Date"), by and among CLS Labs, Inc. ("CLS Labs"), Michael Abrams (the "Executive"), and CLS Holdings USA, Inc. ("CLS Holdings").

RECITALS

WHEREAS, CLS Labs and the Executive entered into that certain Employment Agreement, dated October 1, 2014 (the "Employment Agreement"), pursuant to which CLS Labs employed the Executive to serve as its Chief Operating Officer for a term of five years; and

WHEREAS, CLS Labs and CLS Holdings, among others, plan to enter into that certain Agreement and Plan of Merger, a draft of which is attached hereto, whereby a wholly owned subsidiary of CLS Holdings will merge with and into CLS Labs (the "Merger"), with CLS Labs surviving and becoming a wholly owned subsidiary of CLS Holdings; and

WHEREAS, in anticipation of the Merger, the parties have determined that the Employment Agreement must be amended to properly reflect their intentions regarding the duties, responsibilities and compensation of the Executive.

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Recitals. The above recitals are true and correct and are incorporated herein and made a part hereof by this reference.

2 . Duties and Responsibilities. Executive agrees that in addition to his duties, responsibilities and obligations to CLS Labs under Section 2 of the Employment Agreement, upon consummation of the Merger, he shall serve CLS Holdings and/or its subsidiaries in such capacity as may be requested by the Board of Directors of CLS Holdings from time to time in its discretion during the term of the Employment Agreement.

3 . Stock Options. In exchange for Executive's agreement to serve CLS Holdings and its subsidiaries in such capacity as the Board of Directors of CLS Holdings may request, CLS Holdings agrees to grant to the Executive an annual option to purchase shares of common stock pursuant to Section 3(h) of the Employment Agreement. All other terms, restrictions and procedures set forth in Section 3(h) shall remain in effect, with options to purchase shares of CLS Holdings' common stock being granted to Executive in lieu of options to purchase shares of CLS Labs' common stock under Section 3(h) of the Employment Agreement.

4. Restricted Stock Signing Bonus. In exchange for Executive's agreement to serve CLS Holdings and its subsidiaries in such capacity as the Board of Directors of CLS Holdings may request, CLS Holdings agrees to issue to Executive, upon the consummation of the Merger, 250,000 shares of restricted common stock of CLS Holdings in lieu of all obligations of CLS Labs to issue restricted stock to the Executive pursuant to Section 3(i) of the Employment Agreement. The grant of such restricted shares shall be evidenced by a restricted stock grant agreement that contains the terms set forth in Section 3(i) of the Employment Agreement and other provisions generally applicable to CLS Holdings' restricted stock.

5. Ratification of Employment Agreement. Except as modified by this Addendum, the Employment Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties or their duly authorized representatives have signed this Addendum as of the Effective Date.

CLS LABS, INC.

By: /s/ Jeffrey I. Binder
Name: Jeffrey I. Binder
Title: Chairman, President and CEO

EXECUTIVE

/s/ Michael Abrams
Michael Abrams

CLS HOLDINGS USA, INC.

By: /s/ Jeffrey I. Binder
Name: Jeffrey I. Binder
Title: Chairman, President and CEO

Exhibit 10.5

INDUSTRIAL LEASE AGREEMENT

THIS INDUSTRIAL LEASE AGREEMENT (this "**Lease**") dated for references purposes only is made between **Casimir-Quince, LLC, a Colorado Limited Liability Company,** ("**Landlord**"), and **CLS Labs Colorado, Inc., a Florida Corporation** ("**Tenant**"), as of April 1, 2015 (the "**Date of this Lease**").

BASIC LEASE INFORMATION

NOTE: This Lease Summary is provided solely as a convenience to summarize certain Lease provisions and not: as a complete summary of all material terms and conditions of the Lease. In the event of any inconsistency between any information shown on this Lease Summary and the provisions of the Lease, the provisions of the Lease shall govern

PREMISES: Approximately Fourteen Thousand Three Hundred and Ninety Two (14,392) rentable square feet of real property and improvements, located at 1955 South Quince Street, Denver, Colorado 80231, as depicted on Exhibit A.

BUILDING & PROJECT:

An approximately 42,392 square foot industrial building, located on 1.92 acres of real property commonly known as 1955 South Quince Street, Denver, Colorado 80231. Tenant will have access to approximately 14,392 square feet upon lease commencement.

PERMITTED USE:

Agricultural and horticultural growing facility, including extraction, conversion, assembly and packaging of cannabis and other plant materials, as permitted by and in compliance with any current and future State, city and local laws, rules, ordinances and regulations, as promulgated from time to time, and specifically allowing marijuana cultivation. Tenant shall be responsible for acquiring and maintaining all State of Colorado industry-specific licenses, permits and/or any other requirements to operate any business at the subject premises. In the event it is determined by any court or legislature that Federal Law preempts the Colorado Statutes permitting marijuana cultivation, Landlord may terminate this lease immediately upon written notice to Tenant. Tenant agrees to cease any and all marijuana cultivation activities at the premises upon receipt of notice from Landlord that the Colorado Laws permitting marijuana cultivation have been determined to have been preempted by Federal law.

ORIGINAL TERM: The Lease Term will be for a period of 72 months (6 years) from the Commencement Date. Subject to Section 1.02, the Term shall commence on March 1, 2015 (the "Commencement Date") and, unless terminated early in accordance with this Lease, end on March 31, 2021 (the "Termination Date").

OPTION TO RENEW: Tenant is given two (2) options to extend the term on all the provisions contained in this lease, except for minimum monthly rent, for an additional 5 year period ("extended term") following expiration of the preceding term, by giving written notice of exercise of the option ("option notice") to Landlord at least 6 months but not more than 8 months before the expiration of that preceding term. Provided that, if Tenant is in default on the date of giving the option notice, the option notice shall be totally ineffective, or if Tenant is in default on the date the extended term is to commence, the extended term shall not commence and the options shall no longer be effective.

Minimum monthly rent for each year of the extended term shall increase by 3% from the prior year.

BASE RENT:

PERIOD OF TERM	MONTHLY BASE RENT
4/1/2015 - 6/30/2015	$0.00 [Net/Net/Net]
7/1/2015 – 6/30/2016	$14,392.00 [Net/Net/Net]
7/1/2016 – 6/30/2017	$14,823.76 [Net/Net/Net]
7/1/2017 – 6/30/2018	$15,268.47 [Net/Net/Net]
7/1/2018 – 6/30/2019	$15,726.53 [Net/Net/Net]
7/1/2019 – 6/30/2020	$16,198.32 [Net/Net/Net]
7/1/2020 - 3/31/2021	$16,684.27 [Net/Net/Net]

ESTIMATED INITIAL ANNUAL OPERATING EXPENSES: To be provided, subject to Exhibit B. Tenant understands and agrees that Tenant is responsible and will pay, in equal monthly installments, for all operating expenses, property taxes, insurance, building maintenance as the lease will be triple net. Tenant further understands that the owner is unable to provide an estimate of operating expenses at the inception of the lease because the use and ownership of the subject premises is inconsistent and different than the prior use or ownership.

SECURITY DEPOSIT: $50,000.00. Tenant shall submit to Landlord a security deposit in the amount of $50,000 on April 1, 2015.

TENANT'S PROPORTIONATE SHARE OF BUILDING: 34%

ADDRESSES FOR NOTICES:

Tenant: The Tenant's address for all notices shall be the premises as defined herein.

CLS Labs Colorado, Inc.
11767 South Dixie Highway, Suite 115
Miami, FL 33156

Landlord: Casimir-Quince, LLC, a Colorado Limited Liability Company
2577 Bryant Street, Suite 2
San Francisco, California 94110

1. Lease of Premises; Compliance with Laws; Surrender.

1.01 Landlord leases to Tenant, and Tenant leases from Landlord, the Premises, upon the terms, covenants and conditions of this Lease. The Premises are leased "AS IS" except only for the improvements, if any, which are to be constructed by Landlord. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty regarding the Premises. By taking possession of the Premises, Tenant agrees that the Premises are in good order and satisfactory condition. The square footages set forth in this Lease are approximate and agreed. For purposes of this Lease, the term "Property" means the Building and Project (as defined above in the Basic Lease Information). The Tenant agrees to assume all of the obligations and responsibilities of the Landlord.

1.02 No changes or modifications shall be made to this Lease without the express written consent of Landlord and Tenant.

1.03 Tenant, at its sole expense, agrees to comply with all federal, state and local laws, codes, ordinances, statutes, rules, regulations and other legal requirements (including covenants and restrictions) applicable to the Premises (collectively, "Laws"); provided, however, for purposes of this Lease, in the event of conflict between the provisions, application or enforcement of any federal laws and related state and local laws, Tenant may rely upon state and local laws, unless otherwise notified by Landlord, state or local governmental authorities. Tenant agrees to cause the Premises to comply with all Laws, including by making any changes to the Premises necessitated by any Tenant activity, including but not limited to changes required by (a) any Tenant Improvements or Tenant Alterations (as defined below), or (b) any use of the Premises or Property by Tenant or any Tenant Entity. If any activity of Tenant or any Tenant Entity necessitates changes to the Project other than the Premises, then Landlord shall elect that Landlord accomplish the same at Tenant's expense or that Tenant accomplish the same at its own expense. In the event that as a result of Tenant's use, or intended use, of the Premises, the Americans with Disabilities Act or any other Law requires modifications or the construction or installation of improvements in or to the Premises, Building, Project and/or common areas of the Property (as the same are identified from time to time by Landlord for common use) (the "Common Areas"), the parties agree that such modifications, construction or improvements shall be made at Tenant's expense. Landlord or such other person(s) as Landlord may appoint shall have the exclusive control and management of the Common Areas. Landlord shall have the right, in Landlord's sole discretion, from time to time, (i) to make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of the lobbies, windows, stairways, air shafts, elevators, escalators, restrooms, driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways, (ii) to close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available, (iii) to designate other land outside the boundaries of the Property to be a part of the Common Area, (iv) to add additional buildings and improvements to the Common Areas, and (v) and to do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Property as Landlord may, in the exercise of sound business judgment, deem to be appropriate, if applicable.

1.04 Upon expiration or termination of this Lease, Tenant agrees to remove all of Tenant's personal property from the Premises and return the Premises to Landlord in the same condition as received by Tenant (excepting normal wear and tear) with all removal, repair, and restoration duties of Tenant, including without limitation pursuant to Section 9.04, being fully performed to Landlord's reasonable satisfaction.

1.05 Landlord has no duty to provide security for any portion of the Property. To the extent Landlord elects to provide any security, Landlord is not warranting the effectiveness of any security personnel, services, procedures or equipment and Tenant shall not rely on any such personnel, services, procedures or equipment. Landlord shall not be liable for failure of any such security personnel, services, procedures or equipment to prevent or control, or to apprehend anyone suspected of, personal injury or property damage in, on or around the Property.

2. Base Rent. On or before the first day of each calendar month of the Term, Tenant will pay to Landlord the Base Rent for such month. Tenant shall pay Fixed Minimum Rent and additional rent not payable elsewhere directly to Landlord by delivering such Rent to Landlord at the address set forth as follows:

Casimir-Quince, LLC
2577 Bryant Street
Suite 2
San Francisco, CA 94110

on or before the first day of each month or at such other place or address as Landlord may designate in written notice to Tenant. The records of the Bank of America or any other designated financial institution shall be conclusive as to when each payment was made, and as to whether any late charges are due. The acceptance of late charges and returned check charges by Landlord will not constitute a waiver of any Tenant default nor any other rights or remedies of Landlord.

The initial Security Deposit is due and payable upon execution of this Lease. Monthly rent for any partial calendar month will be prorated. All sums and other charges payable by Tenant to Landlord hereunder shall be deemed rent. Base Rent, Additional Rent, as defined below, and all other amounts payable by Tenant, hereunder, shall be paid without deduction or offset and without prior notice or demand. All such amounts shall be paid in lawful money of the United States of America and shall be paid to Landlord by wire or electronic transfer, cashier's check or an automatic payment from Tenant's bank account to Landlord's account, in each case without cost to Landlord. A copy of a voided check has been provided to the Tenant. Amounts payable hereunder shall be deemed paid when actually received by Landlord.

Notwithstanding anything in this Lease to the contrary, Tenant acknowledges Tenant's obligation to pay Rent not later than the Rent Commencement Date is absolute and shall not be extended by any delay for any reason. Tenant further acknowledges that this Lease is intended to be a triple net lease for the benefit of the Landlord.

While the approximate square footage of the Premises may be used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT associated with the stated square footage and is NOT subject to adjustment should the actual size of the Premises be determined to be different than the square footage set forth herein. Tenant acknowledges that Tenant has been provided the opportunity and has been advised to determine the actual square footage prior to executing this lease agreement.

3. **Additional Rent.** Unless otherwise specifically stated in this Lease, any charge under this Lease and other amounts payable by Tenant to Landlord or to third parties as required by this lease which are not specifically denominated as “rent" shall be payable as and shall be deemed to be additional rent. Such sums and amounts shall be payable, without notice, deduction or offset, as and when provided under this Lease, unless no date is specified, in which case such sums shall be payable together with each installment of Base Rent payable hereunder. Tenant shall be responsible for a Proportionate Share of Operating Expenses in accordance with the term as set forth in this Lease.

Notwithstanding anything in this lease to the contrary, Tenant shall be liable for and responsible to Landlord for all items comprising additional rent under this Lease after the earlier of (i) the date Tenant opens for business; or (ii) the Rent Commencement Date. Taxes, insurance and other items of additional rent shall be prorated in an equitable manner. Notwithstanding the foregoing sentence, Tenant shall also be liable for additional rent for the costs of any insurance required pursuant to this Lease after the effective date of this Lease for any liability insurance or course of construction insurance.
No payment by Tenant, or receipt by Landlord, of a lesser amount than the Rent and/or Additional Rent herein provided shall be deemed to be other than on account of the earliest Rent due and payable hereunder, nor shall any endorsement or statement on any check, or letter accompanying any check or payment, as Rent be deemed an accord and satisfaction. Landlord may accept any such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other right or remedy provided in this Lease.

3.01 **Additional Rent as Monthly Rent:**

(a) Commencing as of the Rent Commencement Date and continuing during each calendar year or part thereof during the term of this Lease, Tenant shall pay to Landlord, as additional rent, Tenant's Percentage Share (as hereinafter defined) of all Operating Expenses (as hereinafter defined) paid or incurred by Landlord in such calendar year.

(b) Commencing as of the Rent Commencement Date and continuing during each calendar year or part thereof during the term of this Lease, Tenant shall pay to Landlord, as additional rent, Tenant's Percentage Share of all Property Taxes (as hereinafter defined) paid or incurred by Landlord in such calendar year.

(c) During each calendar year or part thereof during the term of this Lease, Tenant shall pay to Landlord, as additional rent, its pro rata share of the actual cost incurred by Landlord with respect to all electricity, chilled water, air conditioning, gas, fuel, steam, heat, light, power and other utilities consumed within the Premises, as more particularly described herein (all such costs payable by Tenant pursuant to this Paragraph 5(a)(iii) shall be referred to as "Tenant's Monthly Utility Charge", and all such amounts shall constitute rent hereunder).

(i) All electricity and water directly serving the Premises ("Direct Electrical and Water Costs") shall be separately metered and Tenant shall pay, as monthly rental, the actual cost (without mark up by Landlord) of all such Direct Electrical and Water Costs either to Landlord as a reimbursement, or, at Landlord's election, as a payment directly to the entity providing such electricity or water. Such payments to Landlord of Direct Electrical and Water Costs shall be made within thirty (30) days of Landlord's delivery of an invoice to Tenant therefor.

(ii) With respect to all utility costs for the Premises other than Direct Electrical and Water Costs (collectively, "Other Utility Costs"), Landlord shall have the right, from time to time, to equitably allocate some or all of such Other Utility Costs among different portions or occupants of the Building ("Cost Pools"), in Landlord's reasonable discretion. The utility costs within each such Cost Pool shall be allocated and charged to the tenants within such Cost Pool in an equitable manner.

(d) Throughout the term of this Lease, Tenant shall pay, as additional rent, all other amounts of money and charges required to be paid by Tenant under this Lease, whether or not such amounts of money and charges are otherwise designated "additional rent." As used in this Lease, "rent" shall mean and include all Base Rent, all additional rent and all other amounts payable by Tenant in accordance with this Lease.

3.02 The additional rent payable pursuant to sections 3.01(a), 3.01(b), and 3.01(c)(ii) hereof shall be calculated and paid in accordance with the following procedures:

(a) On or before the first day of each calendar year during the term of this Lease, or as soon thereafter as practicable, Landlord shall give Tenant written notice of Landlord's estimate of the amounts payable under sections 3.01(a), 3.01(b), and 3.01(c)(ii) hereof for the ensuing calendar year. On or before the first day of each month during such ensuing calendar year, Tenant shall pay to Landlord, as monthly rent, one-twelfth of such estimated amounts. If such notice is not given for any calendar year, Tenant shall continue to pay on the basis of the prior calendar year's estimate until the month after such notice is given. If at any time it appears to Landlord that the amounts payable under sections 3.01(a), 3.01(b), and 3.01(c)(ii) hereof for the current calendar year will vary from Landlord's estimate, Landlord may, by giving written notice to Tenant, revise its estimate for such calendar year. If Landlord delivers its estimate after the first day of a calendar year, or if Landlord revises its estimate for a calendar year, then subsequent payments by Tenant for such calendar year shall be based on such late or revised estimate, as the case may be, with an appropriate adjustment to the amount of such subsequent payments such that, prior to the end of such calendar year or portion thereof during the Lease Term, Tenant shall have paid Landlord's entire estimate of the amounts payable under sections 3.01(a), 3.01(b), and 3.01(c)(ii) hereof for such calendar year.

(b) Within sixty (60) business days following the end of each calendar year, Landlord shall give Tenant a written statement of the amounts payable under sections 3.01(a), 3.01(b), and 3.01(c) hereof for such calendar year certified by Landlord. If such statement shows an amount owing by Tenant that is less than the estimated payments for such calendar year previously made by Tenant, Landlord shall credit the excess to the next succeeding monthly installments payable under sections 3.01(a), 3.01(b), and 3.01(c)(ii) hereof. If such statement shows an amount owing by Tenant that is more than the estimated payments for such calendar year previously made by Tenant, Tenant shall pay the deficiency to Landlord within thirty (30) calendar days after delivery of such statement. Failure by Landlord to give any notice or statement to Tenant under this section 3.2 shall not waive Landlord's right to receive, and Tenant's obligation to pay, the amounts payable by Tenant under sections 3.01(a), 3.01(b), and 3.01(c)(ii) hereof. During the Lease Term, but in no event more often than once in any one (1) year period, Tenant or its authorized employee or representative shall have the right to inspect the books of Landlord relating to Operating Expenses and Property Taxes, after giving reasonable prior written notice to Landlord and during the business hours of Landlord at Landlord's office in the Building or at such other location as Landlord may designate, for the purpose of verifying the information in such statement; provided that, if Tenant utilizes an independent accountant to perform such review, then such accountant shall be one of national standing which is reasonably acceptable to Landlord and is not compensated on a contingency basis; and provided further that Tenant shall have no right to inspect such books pertaining to any given period more than ninety (90) calendar days after Landlord shall have delivered the written statement pertaining to such period.

(c) If the term of this Lease ends on a day other than the last day of a calendar year, the amounts payable by Tenant under sections 3.01(a), 3.01(b), and 3.01(c)(ii) hereof applicable to the calendar year in which the end of the term occurs shall be prorated on the basis which the number of days from the commencement of such calendar year to and including the date on which the end of the term occurs bears to three hundred sixty-five (365). Termination of this Lease shall not affect the obligations of Landlord and Tenant pursuant to section 3.02(b) hereof to be performed after such termination.

3.03 Tenant shall pay all monthly rent (*i.e.*, monthly installments of Base Rent and monthly installments of Landlord's estimates of amounts payable under sections 3.01(a), 3.01(b), and 3.01(c)(ii) hereof) to Landlord, in advance, on or before the first day of each and every calendar month during the term of this Lease, without notice, demand, deduction or offset, in lawful money of the United States of America.

Landlord instructs Tenant to pay all such monthly rent to the address specified therefor in the Basic Lease Information, or to such other person or at such other place as Landlord may from time to time designate in writing. Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect. If Tenant's obligation to pay Base Rent hereunder commences on a day other than the first day of a calendar month, or if the term of this Lease terminates on a day other than the last day of a calendar month, then the Base Rent payable for such partial month shall be appropriately prorated on the basis of a thirty (30)-day month. Upon signing this Lease, Tenant shall pay to Landlord an amount equal to the Base Rent for the first full calendar month of the Term in which monthly Base Rent is payable, which amount Landlord shall apply to the Base Rent for such first full calendar month.

3.04 The following terms shall have the definitions herein specified:

Except as modified herein, "Operating Expenses" shall mean all costs and expenses paid or incurred by Landlord in connection with the ownership, management, operation, maintenance or repair of the Building or providing services in accordance with this Lease, including, without limitation, the following: (i) premiums and other charges incurred by Landlord with respect to fire, other casualty, rent and liability insurance, any other insurance as is deemed necessary or advisable in the reasonable judgment of Landlord, or any insurance required by the holder of any mortgage or deed of trust encumbering the Building; (ii) costs of repairing an insured casualty to the extent of the deductible amount under the applicable insurance policy; (iii) water and sewer charges or fees; (iv) license, permit and inspection fees; (v) sales, use and excise taxes on goods and services purchased by Landlord for benefit of tenant; (viii); (vi) costs and expenses for electricity, chilled water, air conditioning, water for heating, gas, fuel, steam, heat, lights, power and other energy related utilities required in connection with the operation, maintenance and repair of the common areas; (vii) equipment lease payments; (viii) repairs to and physical maintenance of the Building, including Building systems and accessories thereto and repair and replacement of worn-out or broken equipment, facilities, parts and installations; (ix), garbage and waste disposal, rubbish removal, plumbing, if caused by tenants use, and other services; (x) inspection or service contracts for elevator, electrical, mechanical, HVAC and other Building equipment and systems; (xi) legal and other professional fees and expenses (excluding legal fees incurred by Landlord relating to disputes with specific tenants or the negotiation, interpretation or enforcement of specific leases); (xii) all costs and expenses resulting from work, labor, supplies, materials or services similar or in addition to, or in lieu of, any of the foregoing, or resulting from compliance with any laws, ordinances, rules, regulations or orders with which the Building was not required to comply prior to the Commencement Date, or to comply with any amendment or other change to the enactment or interpretation of any applicable laws from its enactment or interpretation on or before the Commencement Date; (xii) all costs and expenses of contesting by appropriate legal proceedings any matter concerning managing, operating, maintaining or repairing the Building or the amount or validity of any Property Taxes; (xiii) all costs required to comply with any conservation program or required by any law, ordinance, rule, regulation or order that are first enacted, or first interpreted to apply to the Property, after the date of this Lease.

(a) Operating Expenses shall not include (1) depreciation on the Building (except as specified above), (2) costs of tenants' improvements, (3) real estate brokers' commissions, (4) interest and capital improvements (except the cost of capital improvements and capital assets and interest thereon as specified above), and (5) Direct Electrical and Water Costs or any other amounts for which Tenant is billed pursuant to section 3.1(d) above.

Actual Operating Expenses for each calendar year shall be adjusted to equal Landlord's reasonable estimate of Operating Expenses for a full calendar year with one hundred percent (100%) of the total rentable area of the Building occupied during such full calendar year. Landlord shall have the right, from time to time, to equitably allocate some or all of the Operating Expenses for the Building among Cost Pools. The Operating Expenses within each such Cost Pool shall be allocated and charged to the tenants within such Cost Pool in an equitable and consistent manner over all expense years.

(b) "Property Taxes" shall mean all taxes, assessments, excises, levies, fees and charges (and any tax, assessment, excise, levy, fee or charge levied wholly or partly in lieu thereof or as a substitute therefor or as an addition thereto) of every kind and description, general or special, ordinary or extraordinary, foreseen or unforeseen, secured or unsecured, whether or not now customary or within the contemplation of Landlord and Tenant, that are levied, assessed, charged, confirmed or imposed by any public or government authority on or against, or otherwise with respect to, the Building or any part thereof, any personal property used in connection with the Building. Property Taxes shall also include any assessment, tax, fee, levy or charge in addition to, or in substitution, partially or totally, of any assessment, tax, fee, levy or charge previously included within the definition of real property taxes. Property Taxes shall not include (i) net income (measured by the income of Landlord from all sources or from sources other than solely rent), franchise, documentary transfer, inheritance or capital stock taxes of Landlord, unless levied or assessed against Landlord in whole or in part in lieu of, as a substitute for, or as an addition to any Property Taxes, or (ii) any tax, assessment, fee or charge paid by Tenant pursuant to section 5.1 hereof.

(c) "Tenant's Percentage Share" shall mean the percentage specified in the Basic Lease Information and is 34%.

4. **Late Charges.** Tenant hereby acknowledges that late payment by Tenant to Landlord of Rent and other sums due under this Lease will cause Landlord to incur additional costs not contemplated by this Lease, the exact amount of which will be extremely difficult or impossible to ascertain. Such additional costs include processing and accounting charges and late charges which may be imposed upon Landlord by the terms of any mortgage or deed of trust covering the Premises. Therefore, if any installment of Rent or any other sum due from Tenant shall not be received by Landlord within five (5) days after the date that such amount is due, Tenant shall pay to Landlord a late charge equal to the greater of (a) $250.00, or (b) the highest maximum legal interest rate per annum permitted from time to time under applicable Colorado State Law, of the then delinquent amount. Such interest shall compound annually. Tenant will pay a $75.00 handling fee to Landlord, for each returned bank check. The parties hereby acknowledge, warrant and represent that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord shall in no event constitute a waiver of an Event of Default with respect to such overdue amount or prevent Landlord from exercising any or all of the other rights and remedies granted under this Lease.

In the event Tenant tenders a payment that is returned by the bank for insufficient funds or for any other reason the payment is not negotiated and/or deposited by bank, Tenant shall make all future payments to Landlord by wire or electronic transfer, by cashier's check or by an automatic payment from Tenant's bank account to Landlord's account, in each case without cost to Landlord. The acceptance of late charges and returned check charges by Landlord will not constitute a waiver of any Tenant default nor any other rights or remedies of Landlord.

5. **Security Deposit.** Upon Tenant's execution of this Lease, Tenant will deposit with Landlord the Security Deposit (as defined above in the Basic Lease Information) in the amount specified in the Basic Lease Information as security for Tenant's full and faithful performance of every provision under this Lease. Landlord will not be required to keep the Security Deposit separate from its general funds. Without limiting or impairing any right Landlord may have or hereafter acquire under this Lease or applicable Law with respect to the Security Deposit, Tenant hereby grants to Landlord a security interest in the Security Deposit. The Security Deposit is not an advance rent payment or a measure of damages under this Lease. If Tenant fails to pay any rent due herein, or otherwise is in default of any provision of this Lease, Landlord may, without waiver of the default or of any other right or remedy, use, apply or retain all or any portion of the Security Deposit for the payment of any amount due Landlord or to compensate Landlord for any loss or damage suffered by Tenant's default. Within thirty (30) days after written notification by Landlord, Tenant will restore the Security Deposit to the full amount required under this Lease. No part of the Security Deposit is considered to be held in trust or to bear interest (except when required by Law) or to be prepayment for any monies to Landlord by Tenant under this Lease. Landlord shall return any unapplied portion of the Security Deposit to Tenant within 45 days after the later to occur of: (a) determination of the final rent due from Tenant; or (b) the later to occur of the Termination Date or the date Tenant surrenders the Premises to Landlord in compliance with this Lease. Landlord may assign the Security Deposit to a successor or transferee and, following the assignment Landlord shall have no further liability for the return of the Security Deposit; provided, however, that prior to or in connection with such assignment, the successor or transferee confirms in writing to Tenant (i) that it has assumed all of Landlord's obligations under the Lease and has agreed to be bound by the terms of the Lease as the Landlord thereunder, and (ii) that it has received the Security Deposit and is holding such Security Deposit in accordance with the terms of this Lease.

6. **Use of Premises**.

6.01 The Premises will be used and occupied only for the Permitted Use. Tenant will, at its sole expense; comply with all conditions and covenants of this Lease, and all Laws. Tenant will not use or permit the use of the Premises, the Property or any part thereof, in a manner that is unlawful or in violation of any Law or, conflicts with or is prohibited by the terms and conditions of this Lease or the rules and regulations promulgated by Landlord and provided to Tenant, from time to time ("Rules and Regulations"), diminishes the appearance or aesthetic quality of any part of the Property, creates waste or a nuisance, or causes damage to the Property. Tenant shall not permit any objectionable or unpleasant odors, smoke, dust, gas, noise or vibrations to emanate from the Premises nor take or permit any other action in the Premises that would endanger, annoy, or interfere with the operations of, Landlord or any other tenant of the Property. Tenant shall obtain, at its sole expense, any permit or other governmental authorization required for Tenant to legally operate its business from the Premises.

6.02 In the event of any excessive trash in or outside the Premises, as determined by Landlord in its sole discretion, Landlord will have the right to remove such excess trash, charge all costs and expenses attributable to its removal to Tenant and impose fines in the event Tenant fails to remedy the situation. Tenant will not cause, maintain or permit any outside storage on or about the Property, unless authorized by Landlord. In the event of any unauthorized outside storage by Tenant or any Tenant Entity, Landlord will have the right, without notice, in addition to such other rights and remedies it may have, to remove any such storage at Tenant's expense.

7. **Parking**. All parking will comply with the terms and conditions of this Lease and applicable Rules and Regulations. Tenant will have the exclusive right to all parking spaces designated by Landlord for public parking. The parking privileges granted to Tenant are personal to Tenant; Tenant shall not assign or sublet parking privileges.

8. **Utilities and Services**.

8.01 Landlord acknowledges that Tenant will receive a minimum of 800 amps of "3 phase" electricity at the Premises ("Minimum Power Requirements"). Tenant agrees to make all arrangements for, and to pay directly all costs of, utility services supplied to the Premises, including but not limited to, water, gas, heat, light, power, telephone, and sewer. Tenant shall provide complete copies of all utility invoices and/or billing statements to Landlord on a monthly basis. Failure to timely provide utility invoices and/or billing statements to the Landlord shall be deemed a default of this lease agreement. Additionally, Tenant shall provide to Landlord proof of payment of all utilities on a monthly basis. Failure to timely provide proof of payment of Tenant's utilities shall be deemed a default of this lease agreement. In the event it is not possible for Tenant to obtain separate utility and/or other services, or if Landlord, in its sole discretion, elects to provide any such utility and/or other services to Tenant, such utility and/or other services may, at Landlord's discretion, be obtained in Landlord's name, and Tenant will pay Landlord, as Additional Rent, the cost of any utility services provided by Landlord either: (a) through inclusion in Operating Expenses (except for excess usage, which will be paid as a separate charge by Tenant to Landlord); (b) by a separate charge payable by Tenant to Landlord; or (c) by a separate charge billed by the applicable utility company and payable directly by Tenant. Landlord shall separately meter water and electric service to Tenant at Landlord's expense.

8.02 As long as the Minimum Power Requirements are available to Tenant for the Premises, Landlord will not be liable or deemed in default, nor will there be any abatement of rent, breach of any covenant of quiet enjoyment, partial or constructive eviction or right to terminate this Lease, for (a) any interruption or reduction of utilities, utility services or telecommunication services, (b) any telecommunications or other company (whether selected by Landlord or Tenant) failing to provide such utilities or services or providing the same defectively, and/or (c) any utility interruption in the nature of blackouts, brownouts, rolling interruptions, hurricanes, tropical storms or other natural disasters. Tenant agrees to comply with any energy conservation programs required by Law or implemented by Landlord. Landlord reserves the right, in its sole discretion, to designate, at any time, the utility and service providers for Tenant's use within the Property (other than Tenant's telecommunications and data service providers); no such designation shall impose liability upon Landlord. Tenant has satisfied itself as to the adequacy of any Landlord owned utility equipment and the quantity of telephone lines and other service connections to the "Building's Point of Demarcation" available for Tenant's use.

9. **Tenant Improvements; Tenant Alterations; Mechanic's Liens**.

9.01 Any improvements to be constructed in the Premises by Tenant prior to Tenant initially commencing use of the Premises are referred to throughout this Lease as "**Tenant Improvements**." All Tenant Improvements will be performed in accordance with the provisions set forth in this Lease, including Tenant Improvements that are the Landlords obligation, and Article 9.02 regarding Tenant Alterations.

9.02 The following provisions apply to "**Tenant Alterations**" which means and includes (a) any alterations, additions or improvements to the Premises undertaken by or on behalf of Tenant, (b) any utility installations at the Premises undertaken by Tenant, and (c) any repair, restoration, replacement, or maintenance work at the Premises undertaken by or on behalf of Tenant. Tenant shall not commence any Tenant Alteration without first obtaining the prior written consent of Landlord in each instance. Tenant shall submit such information regarding the intended Tenant Alteration as Landlord may reasonably require, and no request for consent shall be deemed complete until such information is so delivered. The following provisions apply to all Tenant Alterations: (i) Tenant shall hire a licensed general contractor approved by Landlord who, in turn, shall hire only licensed subcontractors; (ii) Tenant shall obtain all required permits and deliver a copy of the same to Landlord. Tenant shall install all Tenant Alterations in strict compliance with all Laws, permits, any plans approved by Landlord, and all conditions to Landlord's approval; (iii) Unless Landlord elects otherwise, Tenant shall remove each Tenant Alteration at the end of this Lease or Tenant's right of possession and restore the Premises to its prior condition, all at Tenant's sole expense; and (iv) Tenant shall deliver to Landlord, within ten (10) days following installation of each Tenant Alteration, (A) accurate, reproducible as-built plans, (B) proof of final inspection and approval by all governmental authorities, (C) complete lien waivers acceptable to Landlord for all costs of the Tenant Alteration, and (D) a copy of a recorded notice of completion. Landlord's approval of any Tenant Improvements and Tenant Alterations and/or Landlord's approval or designation of any general contractor, subcontractor, supplier or other project participant will not create any liability whatsoever on the part of Landlord. Notwithstanding the above, Landlord grants Tenant permission, at Tenant's election, to install an additional HVAC unit, and related equipment and ductwork, provided Tenant complies with the above conditions and acknowledges that the equipment would be Fixture and therefore left in place upon Lease Termination. Tenant shall pay to Landlord a fee equal to 10% of total costs to compensate Landlord for review of plans, inspection of work, and other activities regarding any Tenant Alterations.

9.03 Tenant shall pay all costs of Tenant Alterations as and when due. Tenant shall not allow any lien to be filed. Tenant shall obtain advance lien waivers and third-party beneficiary agreements from all contractors, subcontractors, suppliers, and others providing equipment, labor, materials, or services, in the form required by Landlord. If any lien is filed, Tenant shall within ~~5~~ ten (10) days remove such lien. In addition, if any such lien is filed, then, without waiver of any other right or remedy, Landlord shall have the right to cause such lien to be removed by any means allowed by Law. All sums expended by Landlord in connection with such lien and/or its removal, including attorney fees, shall be immediately due from Tenant to Landlord, together with interest at the highest maximum legal interest rate per annum permitted from time to time under applicable Colorado State Law, of the then delinquent amount. Such interest shall compound annually.

9.04 All Tenant Improvements and Tenant Alterations are part of the realty and belong to Landlord. Tenant shall be solely responsible for all taxes applicable to any Tenant Alterations, to insure all Tenant Alterations and to restore the same following any casualty. As a condition of Landlord consenting to any Tenant Improvements or Tenant Alterations, Landlord reserves the right to require Tenant to pay an amount determined by Landlord to remove all of any Tenant Improvements or Tenant Alterations and restore the Premises to their condition before any such work commenced (normal wear and tear excepted). At any time prior to the expiration or earlier termination of this Lease, Landlord may require, upon 10 days' prior written notice to Tenant, that Tenant remove all, or any part of the Tenant Improvements and/or Tenant Alterations at its sole cost and expense and repair any damage caused by such removal. Provided that Tenant is not in default and has given Landlord notice to vacate Premises as defined herein, Tenant shall be given permission to remove those certain tenant-specific lighting fixtures, ballasts, coffers, shields and lighting wiring not permanently affixed to the Premises. If Tenant fails to perform its obligations in a timely manner, Landlord may perform such work at Tenant's expense. The provisions of this Article 9 shall survive the expiration or any earlier termination of this Lease.

10. **Repairs**.

10.01 Subject to Section 10.02 below, Tenant shall, at all times and at its sole cost and expense, keep all applicable parts of the Premises (including without limitation the Tenant Improvements and Tenant Alterations, windows, glass and plate glass, doors (including, without limitation, overhead and roll up doors), exterior stairs, skylights, any special office entries, interior walls and finish work, floors and floor coverings), interior and exterior, and all equipment and facilities within or serving the Premises, in good order, condition and repair regardless of whether the portion of the Premises requiring repairs, or the means of repairing same, are reasonably or readily accessible, and regardless of whether the need for such repairs or maintenance occurs as a result of Tenant's use, any prior use, vandalism, acts of third parties, Force Majeure (as defined in Article 26 below) or the age of the Premises, reasonable wear and tear excepted. The standard for comparison of condition will be the condition of the Premises as of the original date of Landlord's delivery of the Premises and failure to meet such standard shall create the need to repair. If Tenant does not perform required maintenance or repairs, Landlord shall have the right, without waiver of Default or of any other right or remedy, to perform such obligations of Tenant on Tenant's behalf, and Tenant will reimburse Landlord for any costs incurred, together with an administrative fee in an amount equal to 10% of the cost of the repairs, within five (5) days following Landlord demand.

10.02 Landlord shall perform the repair and maintenance of the roof, exterior walls, exterior areas and any other maintenance and repair of exterior, structural, and/or common elements, provided, Tenant shall reimburse Landlord for 100% of any such expense incurred by Landlord due to the act or omission of Tenant or any Tenant Entity. Tenant expressly waives the benefit of any statute or other legal right now or hereafter in effect which would otherwise afford Tenant the right to make repairs at Landlord's expense, whether by deduction of rent or otherwise, or to terminate this Lease because of Landlord's failure to keep the Property, or any part thereof in good order, condition and repair.

11. **Insurance**.

11.01 Tenant will not do or permit anything to be done within or about the Premises or the Property which will increase the existing rate of any insurance on any portion of the Property or cause the cancellation of any insurance policy covering any portion of the Property (including, without limitation, any liability coverage); provided, however, in the event of either such occurrence, Tenant shall be solely responsible for the payment of such rate increase or for obtaining a comparable substitute insurance policy. Tenant's failure to obtain such coverage, as approved by Landlord in Landlord's sole discretion, with ten (10) days of cancellation shall be considered an event of default. Tenant will, at its sole cost and expense; comply with any requirements of any insurer of Landlord. Tenant agrees to maintain policies of insurance described in this Article. Landlord reserves the right, from time to time, to require additional coverage (including, flood insurance, if the Premises is located in a flood hazard zone), and/or to require higher amounts of coverage, provided such additional coverage or higher amounts of coverage are generally imposed by owners of comparable buildings and projects in the area of the Building and the Project.

11.02 Tenant shall maintain and produce upon demand by Landlord the following insurance ("**Tenant's Insurance**"):

(a) Commercial General Liability Insurance applicable to the Premises and its appurtenances providing, on an occurrence basis, a minimum of $1,000,000.00, and not less than $1,000,000.00 in the annual aggregate, covering third-party bodily injury, property damage, personal injury and advertising injury, product/completed operations as applicable, medical expenses and contractual liability. Defense costs will be in addition to the limit of liability. A combination of a General Liability policy and an umbrella policy or excess liability policy may be used to satisfy this limit;

(b) Property/Business Interruption Insurance written on an All Risk or Special Cause of Loss Form at replacement cost value and with a replacement cost endorsement covering all of Tenant's business and trade fixtures, equipment, movable partitions, furniture, merchandise and other personal property within the Premises, including for which Tenant has repair obligations and any Tenant Improvements and Tenant Alterations performed by or for the benefit of Tenant. No coinsurance provision will apply;

(c) Workers' Compensation Insurance in amounts not less than the amounts required by Law;

(d) Employers Liability Coverage of at least $1,000,000.00 (each accident, disease – each employee, disease – policy limit);

11.03 No insurance policy of Tenant shall have a self-insured retention or deductible greater than $5,000.00.

11.04 Any company writing Tenant's Insurance shall be licensed to do business in the state in which the Premises is located and shall have an A.M. Best rating of not less than A-.

11.05 Tenant will deliver to Landlord (and, at Landlord's request, to any Mortgagee (as defined in Article 25 below) or to any other third party), simultaneously with its execution of this Lease and thereafter at least 30 days prior to expiration, cancellation or change in insurance, certificates acceptable to Landlord of insurance evidencing, at a minimum, the coverage specified in this Article 11. All such certificates shall be in form and substance satisfactory to Landlord, shall affirmatively demonstrate all coverage and requirements set forth in this Lease, shall contain no disclaimers of coverage, and shall include that the insurer will endeavor to give the certificate holder 30 days' written notice prior to cancellation or change in any coverage. In addition, Tenant will give Landlord at least 30 days' prior written notice prior to cancellation or change in any coverage.

11.06 Tenant hereby assigns to Landlord all its rights to receive any proceeds of such insurance policies attributable to any Tenant Improvements and Tenant Alterations if this Lease is terminated due to damage or destruction. Landlord and the Landlord Related Parties shall be named additional insured's on Tenant's insurance policies (excluding Workers' Compensation Insurance); provided, however, that with respect to property insurance covering any Tenant Improvements and Tenant Alterations, Landlord and the Landlord Related Parties shall be loss payee thereunder (and the foregoing designations shall be evidenced on the insurance certificates delivered to Landlord as required hereby). All insurance to be carried by Tenant will be primary to, and non-contributory with, Landlord's insurance, and there will be no exclusion for cross-liability endorsements and will in addition to the above coverage specifically insure Landlord against any damage or loss that may result either directly or indirectly from any default of Tenant under Article 13 (Hazardous Materials) herein. Any similar insurance carried by Landlord will be non-contributory and considered excess insurance only.

11.07 Tenant will name Landlord (and, at Landlord's request, any Mortgagee (as defined in Article 25 below), Landlord's agents, and/or any other parties designated by Landlord) as additional insured's on all insurance policies required of Tenant under this Lease, other than Worker's Compensation, Employer's Liability, and Fire and Extended coverage (except on Tenant Improvements or Tenant Alterations to the Premises for which Landlord shall be named loss payee) insuring Landlord and such other additional insured's regardless of any defenses the insurer may have against Tenant and regardless of whether the subject claim is also made against Tenant. All insurance policies carried by Tenant will permit the insured, prior to any loss, to agree with a third party to waive any claim it might have against said third party without invalidating the coverage under the insurance policy, and will release Landlord and the Landlord Related Parties (as defined in Article 24 below), from any claims for damage to any person, to the Property of which the Premises are a part, any existing improvements, Tenant Improvements and Tenant Alterations to the Premises, and to any furniture, fixtures, equipment, installations and any other personal property of Tenant caused by or resulting from, risks which are to be insured against by Tenant under this Lease, regardless of cause. The foregoing shall be evidenced in Tenant's certificate of insurance. All insurance policies required to be carried by Tenant under this Lease shall be issued by insurance companies authorized to do business in the State of Colorado, with a financial rating of at least Aa rated in the most recent edition of Best's Insurance Reports. All Tenant's insurance or insurance required during construction (other than Worker's Compensation) shall name Landlord, and such other persons or entities as Landlord may from time to time designate, as additional insureds. Tenant's Workers' Compensation Insurance shall contain an employer's contingent liability endorsement. Tenant shall deliver to Landlord certificates of all insurance required to be carried by Tenant hereunder, showing that such policies are in full force and effect in accordance with this Section 6. Tenant shall obtain written undertakings from each insurer under policies maintained by Tenant hereunder to notify Landlord, and any other additional insured thereunder, at least thirty (30) days prior to cancellation, amendment or reduction in coverage under any such policy.

11.08 Landlord will secure and maintain insurance coverage in such limits as Landlord may deem reasonable in its sole judgment to afford Landlord adequate protection. The premiums for such coverage are "**Insurance Premiums**" and included as Additional Rent on a pro-rata basis. Copies of the premiums shall be provided to Tenant by Landlord on an acquisition and renewal basis. Any proceeds of such insurance shall be the sole property of Landlord to use as Landlord determines. Tenant will provide, at its own expense, all insurance Tenant deems adequate to protect its interests.

11.09 Without limiting the effect of any other waiver of or limitation on the liability of Landlord set forth herein, and except as provided in Article 12 below, Landlord and Tenant hereby waive and shall cause their respective insurance carriers to waive any and all rights of recovery, claims, actions or causes of action against the other for any loss or damage with respect to Tenant's personal property, fixtures and equipment, any Tenant Improvements or Tenant Alterations, the Building, the Premises, or any contents thereof, including rights, claims, actions and causes of action based on negligence, which loss or damage is (or would have been, had the insurance required by this Lease been carried) covered by insurance. For the purposes of this waiver, any payment of the deductible required with respect to a party's insurance policy, shall be deemed covered and recoverable by such party, if under valid and collectable insurance policies. For purposes of this Section 11.09, "Landlord" shall include the Landlord Related Parties.

11.10 Whenever Tenant shall undertake any alterations, additions or improvements in, to or about the Premises, including, without limitation, any Tenant Improvements and/or Tenant Alterations ("**Work**") the aforesaid insurance protection must extend to and include injuries to persons and damage to property arising in connection with such Work, without limitation including liability under any applicable structural work act, and such other insurance as Landlord shall require; and the policies of or certificates evidencing such insurance must be delivered to Landlord prior to the commencement of any such Work.

12. **Waiver of Claims; Indemnification**. Tenant waives all claims against Landlord and the Landlord Related Parties for any damage to any property in or about the Property, for any loss of business or income, and for injury to or death of any persons, unless caused by gross negligence or willful misconduct of Landlord. Tenant will indemnify, protect, defend and hold harmless Landlord and the Landlord Related Parties from and against all claims, losses, damages, causes of action, costs, expenses and liabilities, including reasonable legal fees, arising out of Tenant's occupancy of the Premises or presence on the Property, the conduct of Tenant's business, any default by Tenant, and/or any act, omission or neglect (including violations of Law) of Tenant or its agents, contractors, employees, suppliers, licensees or invitees, successors or assigns (each a "**Tenant Entity**" and collectively, the "**Tenant Entities**"). Landlord shall indemnify, protect, defend and hold Tenant harmless from and against any and all claims, liabilities, losses, costs, damages, injuries or expenses, including reasonable attorneys' and consultants' fees and court costs, demands, causes of action, or judgments, to the extent arising out of or relating to the gross negligence or willful misconduct of Landlord or the Landlord Related Parties (subject to the provisions of Section 11.09). However, notwithstanding anything to the contrary contained herein, Landlord shall in no event be liable for (i) injury to Tenant's business or any loss of income or profit therefrom or for consequential damages or events of Force Majeure (as defined in Article 26), or (ii) sums up to the amount of insurance proceeds received by Tenant (or which would have been received by Tenant under any insurance coverage required to be maintained by Tenant hereunder) for any loss. The foregoing indemnity by Landlord shall also not be applicable to claims to the extent arising from Tenant's violations of Law, the negligence or willful misconduct of Tenant or any Tenant Entity. The provisions of this Article 12 shall survive the expiration or earlier termination of this Lease.

13. **Hazardous Materials**.

13.01 "**Hazardous Materials**" will mean any substance commonly referred to, or defined in any Law, as a hazardous material or hazardous substance (or other similar term), including but not be limited to, chemicals, solvents, petroleum products, flammable materials, explosives, asbestos, urea formaldehyde, PCB's, chlorofluorocarbons, Freon or radioactive materials. Tenant may cause or permit Hazardous Materials to be brought upon, kept, stored, discharged, released or used in, under or about any portion of the Property if the same are necessary in Tenant's normal business operations and as long as Tenant complies in all material respects with all applicable Laws regarding the storage, discharge, release and use of such Hazardous Materials. If Tenant or any Tenant Entity brings any Hazardous Materials to the Premises or Property, Tenant acknowledges and agrees that by its direct or indirect involvement in the introduction of any Hazardous Materials to the Premises or Property, that Tenant accepts full and complete responsibility for such Hazardous Materials and henceforth on will be considered the Responsible Party as defined by any applicable governmental authority and/or Law. Further, Tenant shall: (a) use such Hazardous Material only as is reasonably necessary to Tenant's business; (b) handle, use, keep, store, and dispose of such Hazardous Material in compliance with all applicable Laws; (c) maintain at all times with Landlord a copy of the most current MSDS sheet for each such Hazardous Material, if required by Law to do so; and (d) comply with such other reasonable rules and requirements Landlord may from time to time impose, or with any definition of Hazardous Waste or Law as it may be implemented or modified during or after the term of this Lease. Upon expiration or earlier termination of this Lease, Tenant will, at Tenant's sole cost and expense, cause all Hazardous Materials brought to the Premises or the Property by Tenant or any Tenant Entity, to be removed from the Property in compliance with any and all applicable Laws.

13.02 If Tenant or any Tenant Entity violates the provisions of this Article 13, or perform any act or omission which contaminates or expands the scope of contamination of the Premises, the Property, or any part thereof, the underlying groundwater, or any property adjacent to the Property, or violates or allegedly violates any applicable Law, then Tenant will promptly, at Tenant's expense, take all investigatory and/or remedial action (collectively called "**Remediation**"), as directed or required by any governmental authority that is necessary to fully clean up, remove and dispose of such Hazardous Materials and any contamination so caused and shall do so in compliance with any applicable Laws. Tenant will also repair any damage to the Premises and any other affected portion(s) of the Property caused by such contamination and Remediation.

13.03 Tenant shall immediately provide to Landlord written notice of any investigation or claim arising out of the use by Tenant or any Tenant Entity of Hazardous Materials at the Property or the violation of any provision of this Article 13, or alleged violation of any Law and shall keep Landlord fully advised regarding the same. Tenant shall provide to Landlord all reports regarding the use of Hazardous Materials by Tenant or any Tenant Entity at the Property and any incidents regarding the same, regardless of whether any such documentation is considered by Tenant to be confidential. Landlord retains the right to participate in any Remediation and/or legal actions affecting the Property involving Hazardous Materials arising from Tenant's actual or alleged violation of any provision of this Article 13 or Law.

13.04 Tenant will indemnify, protect, defend and forever hold Landlord, its lenders and ground lessor if any, the Landlord Related Parties, the Premises, the Property, or any portion thereof, harmless from any and all damages, causes of action, fines, losses, liabilities, judgments, penalties, claims, and other costs, including, but not limited to, any Landlord Related Parties' costs incurred during its participation in any Remediation and/or legal actions as specified in 13.03, arising out of any failure of Tenant or Tenant Entity to observe any covenants of this Article 13. All provisions of this Article 13 shall survive the expiration of this Lease and any termination of this Lease or of Tenant's right of possession.

14. **Landlord's Access**. Provided that such entry shall not interfere with Tenants normal business operations, Landlord, its agents, contractors, consultants and employees, will have the right to enter the Premises at any time in the case of an emergency, and otherwise at reasonable times following notice to Tenant (which notice may be given orally) to examine the Premises, perform work in the Premises, inspect any Tenant Alterations and/or any Tenant Improvements, show the Premises, exercise any right or remedy, or for any other purpose. If reasonably necessary, and only with prior notification to Tenant, Landlord may temporarily close all or a portion of the Premises to perform repairs, alterations and additions and Tenant shall not have any right to terminate this Lease or abate rent or assert a claim of partial or constructive eviction because of any such closure. For each of these purposes, Landlord will at all times have and retain any necessary keys and codes to Tenant's Security Systems to the Premises. Tenant will not alter any lock or install new or additional locks or bolts on any door in or about the Premises without obtaining Landlord's prior written approval and will, in each event, furnish Landlord with a new key. Access by Landlord will not give Tenant the right to terminate this Lease, and will be without abatement of rent or liability on the part of Landlord or any Landlord Related Parties. During any time Landlord enters the Premises for repairs or to perform work therein, Landlord and its contractors shall use reasonable efforts to minimize interference with Tenant's business within the Premises, including by using reasonable efforts to schedule such repairs or work shall be performed at times mutually agreed upon by Landlord and Tenant.

15. **Damage or Destruction**.

15.01 If the Premises is damaged or destroyed by fire or other casualty, Tenant will immediately give written notice to Landlord of the casualty. Landlord will have the right to terminate this Lease following a casualty if any of the following occur: (a) insurance proceeds actually paid to Landlord and available for use are not sufficient to pay the full cost to fully repair the damage; (b) Landlord determines that the Premises or the Building cannot be fully repaired within one hundred eighty (180) days from the date restoration commences; (c) the Premises are damaged or destroyed within the last six (6) months of the Term; (d) Tenant is in default of this Lease at the time of the casualty; (e) Landlord would be required under this Lease to abate or reduce Tenant's rent for a period in excess of 6 months if the repairs were undertaken; or (f) the Property, or the Building in which the Premises is located, is damaged such that the cost of repair of the same would exceed 10% of the replacement cost of the same. If Landlord elects to terminate this Lease, Landlord will be entitled to retain all applicable Tenant insurance proceeds and Tenant shall assign or endorse over to Landlord (or to any party designated by Landlord) all property insurance proceeds payable to Tenant under Tenant's insurance, excepting those attributable to Tenant's furniture, fixtures, equipment, and any other personal property.

15.02 If this Lease is not terminated pursuant to Section 15.01, Landlord will repair the Premises and this Lease shall continue. The repair obligation of Landlord shall be limited to repair of the Premises excluding any Tenant Improvements, Tenant Alterations, and any personal property and trade fixtures of Tenant. During the period of repair, rent will be abated or reduced in proportion to the degree to which Tenant's use of the Premises is impaired, as determined by Landlord, not to exceed the total amount of rent loss insurance proceeds, directly attributable to Tenant's Premises, Landlord has received. However, rent will not be abated if Tenant or any of its agents is the cause of the casualty.

16. **Assignment and Subletting**.

16.01 Except as set forth below, Tenant will not, voluntarily or by operation of law, assign, sell, convey, sublet or otherwise transfer all or any part of Tenant's right or interest in this Lease, or allow any other person or entity to occupy or use all or any part of the Premises (collectively called "**Transfer**") without first obtaining the written consent of Landlord which consent shall not be unreasonably withheld or delayed including any other direct Licensees of Redwood Investment Partners, Inc. Any Transfer without the prior written consent of Landlord shall be void. Without limiting the generality of the definition of "Transfer," it is agreed that each of the following shall be deemed a "Transfer" for purposes of this Article 16: (a) an entity other than Tenant becoming the tenant hereunder by merger, consolidation, or other reorganization; and (b) a transfer of any ownership interest in Tenant (unless Tenant is an entity whose stock is publicly traded). Regardless of whether consent by Landlord is granted in connection with any Transfer, no Transfer shall release Tenant from any obligation or liability hereunder; Tenant shall remain primarily liable to pay all rent and other sums due hereunder to Landlord and to perform all other obligations hereunder. Similarly, no Transfer, with or without the consent of Landlord, shall release any guarantor from its obligations under its guaranty. Upon any assignment or sublease, any rights, options or opportunities granted to Tenant hereunder to extend or renew the Term, to shorten the Term, or to lease additional space shall be null and void. Notwithstanding the foregoing, Landlord acknowledges and hereby consents to Tenant's subletting of the entirety of the Premises for the entirety of the Lease Term, as such Lease Term may be extended, to Picture Rock Holdings, LLC, a Colorado limited liability company. The provisions of Section 16.02 and 16.03 shall not apply to this subletting of the Premises.

16.02 In the event Landlord consents to a Transfer, the Transfer will not be effective until Landlord receives an amount equal to all attorneys' fees incurred by Landlord (regardless of whether such consent is granted and regardless of whether the Transfer is consummated) and other expenses of Landlord incurred in connection with the Transfer, and a Transfer fee in an amount determined by Landlord (a minimum fee of $250.00), not to exceed $1,000 per transfer or request to transfer.

16.03 Any consideration paid to Tenant for assignment of this Lease, less any reasonable brokerage commission paid by Tenant with respect to such assignment, shall be immediately paid to Landlord. In the event of a sublease of all or a portion of the Premises, not less than fifty percent (50%) of all rents payable by the subtenant in excess of rents payable hereunder (allocated on a per square foot basis in the event of a partial sublease) shall be immediately due and payable to Landlord; provided, excess rental shall be calculated taking into account straight-line amortization, without interest, of any reasonable brokerage commission paid by Tenant in connection with the subject sublease transaction.

16.04 Upon the occurrence of a Default, if the Premises or any portion thereof are sublet, Landlord may, at its option and in addition and without prejudice to any other remedies herein provided or provided by Law, collect directly from the sub lessee(s) all rentals becoming due Tenant and apply such rentals against other sums due hereunder to Landlord.

17. **Default**.

Time is of the essence in the performance of all covenants of Tenant. A "**Default**" is defined as a failure by the Tenant to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease, including, without limitation, the following:

17.01 Tenant fails to make, as and when due, any payment of Base Rent, Additional Rent, or any other monetary payment required to be made by Tenant herein, where such failure shall continue for a period of ten (10) days after written notice thereof from Landlord to Tenant, as to which time is of the essence, provided that Landlord shall not be required to provide such notice more than once during the 12 month period commencing with the date of such notice. The second failure (and any subsequent failure) to pay any such amount within ten (10) days after said payment is due during such 12-month period shall be a Default hereunder without notice.

17.02 Landlord discovers that any representation or warranty made by Tenant or any guarantor was materially false when made or that any financial statement of Tenant or of any guarantor of this Lease given to Landlord was materially false.

17.03 Tenant makes any general arrangement or assignment for the benefit of creditors, becomes a "debtor" in a bankruptcy proceeding, is unable to pay its debts or obligations as they occur, or has an attachment, execution or other seizure of substantially all of its assets located at the Property or its interest in this Lease, or any guarantor becomes insolvent, becomes a "debtor" in a bankruptcy proceeding, fails to perform any obligation under its guaranty, or attempts to revoke its guaranty.

17.04 Tenant receives from any governmental authority a "cease and desist", "stop work" or any other order which prohibits or prevents Tenant's use of the Premises for its intended purpose for a period of more than thirty (30) days. Unless the Tenant has cured the "cease and desist" and continues to pay Base Rent and Additional Rent as described herein.

17.05 Landlord determines, in Landlord's sole discretion, that as a result of a change in applicable laws, ordinances, rules or regulations, or the interpretation or enforcement thereof, Tenant's tenancy under this Lease and continued use of the Premises for its intended purpose is or will become illegal or violate any applicable laws

17.06 Tenant fails to observe, perform or comply with any of the non-monetary terms, covenants, conditions, provisions or rules and regulations applicable to Tenant under this Lease other than as specified above in this Article 17; provided, if such failure (a) is not intentional on the part of Tenant, (b) is not the type of failure as to which Landlord shall have previously given Tenant written notice, (c) does not constitute a default or violation under any loan or other agreement to which Landlord is a party, and (d) is, in the sole opinion of Landlord, a curable failure, then such failure shall not be a "Default" unless Tenant does not cure such failure within 20 days following written notice of such failure from Landlord, provided, however, that if said failure cannot be cured with such 20 day period, said cure period may be extended for such reasonable period (not to exceed 60 days) as may be required provided that Tenant has commenced and continued to diligently pursue such cure within 10 business days after Landlord's notice. The foregoing Tenant cure period shall in no event apply to any of the following: Tenant's (i) failure to provide an estoppel certificate when and as required under Section 20 of this Lease; (ii) failure to maintain insurance required under Article 11 of the Lease; (iii) failure to vacate the Premises upon the expiration or earlier termination of the Lease; (iv) failure to comply with any obligation under the Lease pertaining to Hazardous Materials; (v) failure to provide a subordination agreement when and as required under Section 25 of this Lease; (vi) failure to comply with or any default under Sections 17.04, 17.05 or 17.06, above; and (vi) any other matter provided for in another subparagraph of this Article 17 for which another time limit is provided elsewhere in the Lease.

18. **Remedies of Landlord**.

18.01 If Tenant fails to perform any duty or obligation of Tenant under this Lease, Landlord may at its option, without waiver of Default nor any other right or remedy, perform any such duty or obligation on Tenant's behalf. The reasonable costs and expenses of any such performance by Landlord will be immediately due and payable by Tenant upon receipt from Landlord of the reimbursement amount required.

18.02 Upon a Default, with written notice, and without limiting any other of Landlord's rights or remedies, Landlord may:

(a) Terminate this Lease, in which case Tenant shall immediately surrender the Premises to Landlord. If Tenant fails to surrender the Premises, Landlord, in compliance with Law, may enter upon and take possession of the Premises and remove Tenant, Tenant's Property and any party occupying the Premises. Tenant shall pay Landlord, on demand, all past due Rent and other losses and damages Landlord suffers as a result of Tenant's Default, including, without limitation, all Costs of Re-letting (defined below) and any deficiency that may arise from re-letting or the failure to re-let the Premises. "Costs of Re-letting" shall include all reasonable costs and expenses incurred by Landlord in re-letting or attempting to re-let the Premises, including, without limitation, legal fees, brokerage commissions, the cost of alterations and the value of other concessions or allowances granted to a new tenant.

(b) Terminate Tenant's right to possession of the Premises and, in compliance with Law, remove Tenant, Tenant's Property and any parties occupying the Premises. Landlord may (but shall not be obligated to) re-let all or any part of the Premises, without notice to Tenant, for such period of time and on such terms and conditions (which may include concessions, free rent and work allowances) as Landlord in its absolute discretion shall determine. Landlord may collect and receive all rents and other income from the re-letting. Tenant shall pay Landlord on demand all past due Rent, all Costs of Re-letting and any deficiency arising from the re-letting or failure to re-let the Premises. The re-entry or taking of possession of the Premises shall not be construed as an election by Landlord to terminate this Lease.

(c) Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the state wherein the Premises is located.

18.03 In lieu of calculating damages under Section 18.02, Landlord may elect to receive as damages the sum of (a) all rent accrued through the date of termination of this Lease or Tenant's right to possession, and (b) an amount equal to the total rent that Tenant would have been required to pay for the remainder of the Term discounted to present value at the Prime Rate (defined below) then in effect, minus the then present fair rental value of the Premises for the remainder of the Term, similarly discounted, after deducting all anticipated Costs of Re-letting. "Prime Rate" shall be the per annum interest rate publicly announced as its prime or base rate by a federally insured bank selected by Landlord in the state in which the Building is located.

18.04 If Tenant is in Default of any of its non-monetary obligations under this Lease, Landlord shall have the right to perform such obligations. Tenant shall reimburse Landlord for the cost of such performance upon demand together with an administrative charge equal to 10% of the cost of the work performed by Landlord. The repossession or re-entering of all or any part of the Premises shall not relieve Tenant of its liabilities and obligations under this Lease. No right or remedy conferred upon or reserved to Landlord in this Lease is intended to be exclusive of any right or remedy granted to Landlord by statute or common law, and each and every such right and remedy will be cumulative and in addition to any other right and remedy now or subsequently available to Landlord at Law or in equity.

18.05 Costs related to Eviction and/or collection of monies owed: Any and all such reasonable costs incurred by the Landlord in connection with an Eviction of the Tenant and/or collection of monies owed by the Tenant shall be reimbursed in full by the Tenant to the Landlord. Such costs include, but are not limited to, court costs, legal costs, removal of Tenant's possessions from the premises, costs to impose a garnishment on wages to collect the monies owed, etc. In addition, all such costs and monies owed by the Tenant to the Landlord shall be subject to the maximum legal interest rate in the state of Colorado, which shall be compounded monthly. Furthermore, the Tenant agrees to reimburse the Landlord for its time in connection with such efforts at an hourly rate of $100.00 (one-hundred and 00/100 dollars).

19. **Condemnation**. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively, "**Condemnation**"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If all or a material portion of the rentable area of the Premises are taken by Condemnation, Tenant may, at Tenant's option, to be exercised in writing within 10 days after Landlord shall have given Tenant written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. Landlord shall also have the right to terminate this Lease if there is a taking by Condemnation of any portion of the Building or Property, which would have a material adverse effect on Landlord's ability to profitably operate the remainder of the Building. If neither party terminates this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Landlord, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken or for severance damages.

20. **Estoppel Certificates; Financial Statements**.

20.01 Tenant will execute and deliver to Landlord, within 10 days after written request from Landlord, a commercially reasonable estoppel certificate to those parties as are reasonably requested by Landlord (including a Mortgagee or prospective purchaser). Without limitation, such estoppel certificate may include a certification as to the status of this Lease, the existence of any default and the amount of rent that is due and payable. The estoppel certificate will serve as confirmation of the terms of the Lease by, Landlord, prospective buyers and lenders, and any other third parties designated by Landlord. If Tenant fails to execute and deliver such estoppel certificate within the ten (10) day period, the estoppel certificate shall be deemed to be binding upon the Tenant.

20.02 Within 10 days after written request from Landlord, Tenant shall deliver to Landlord such financial statements as Landlord reasonably requests regarding Tenant or any assignee, subtenant, or guarantor of Tenant. Tenant represents and warrants to Landlord that each financial statement is a true and accurate statement.

21. **Notices**. All communications and notices required under this Lease shall be in writing and shall be addressed to the respective address of the receiving party. All notices to Tenant shall be given by reputable overnight courier, U. S. mail (return receipt required, postage prepaid), email, or hand delivery, and shall be deemed received on the date of delivery (or attempted delivery) as evidenced by return receipt. Any notice to Tenant may also be given by posting at the Premises and shall be effective upon such posting. At any time during the Term, Landlord or Tenant may specify a different Notice Address (excluding post office boxes) by providing written notification to the other. If there is more than one (1) person or entity comprising Tenant, then all notices, consents, waivers or other communications under this Lease may be given by or to any one of such persons or entities, and when so served, shall have the same force and effect as if given or served upon each such person or entity, and each such person or entity hereby designates each other such person or entity as its agent for service of such notices in accordance herewith. Notwithstanding the foregoing, any option to extend must be exercised with respect to the entire Premises and Parking Area.

22. **Holdover**. If Tenant remains in possession of all or any part of the Premises with Landlord's prior written consent after the expiration or termination of this Lease or of Tenant's right to possession, such possession will constitute a month-to-month tenancy which may be terminated by either Landlord or Tenant upon 30 days written notice and will not constitute a renewal or extension of the Term. If Tenant fails to surrender all or any part of the Premises at the termination of this Lease, occupancy of the Premises after termination shall be that of a tenancy at sufferance. Tenant's occupancy shall be subject to all the terms and provisions of this Lease, and Tenant shall pay an amount (on a per month basis without reduction for partial months during the holdover) equal to 200% of the sum of the greater of (a) Base Rent and Additional Rent due for the period immediately preceding the holdover, and (b) then-current fair market rent for the Premises as reasonably determined by Landlord. No holdover by Tenant or payment by Tenant after the termination of this Lease shall be construed to extend the Term or prevent Landlord from immediate recovery of possession of the Premises by summary proceedings or otherwise. If Landlord is unable to deliver possession of the Premises to a new tenant or to perform improvements for a new tenant as a result of Tenant's holdover, Tenant shall be liable for all damages (including, without limitation, consequential, indirect and special) that Landlord suffers from the holdover.

23. **Limitation of Liability**. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, THE LIABILITY OF LANDLORD (AND OF ANY SUCCESSOR LANDLORD) SHALL BE LIMITED TO THE LESSER OF (A) THE INTEREST OF LANDLORD IN THE BUILDING, OR (B) THE EQUITY INTEREST LANDLORD WOULD HAVE IN THE BUILDING IF THE BUILDING WERE ENCUMBERED BY THIRD PARTY DEBT IN AN AMOUNT EQUAL TO 80% OF THE VALUE OF THE BUILDING (CALCULATIONS OF EQUITY SHALL BE MADE AS OF THE INITIAL DATE TENANT NOTIFIES LANDLORD OF THE ACTUAL OR ALLEGED DEFAULT OR OTHER CLAIM). TENANT SHALL LOOK SOLELY TO LANDLORD'S INTEREST IN THE BUILDING FOR THE RECOVERY OF ANY JUDGMENT OR AWARD AGAINST LANDLORD OR ANY OF LANDLORD'S TRUSTEES, MEMBERS, PRINCIPALS, BENEFICIARIES, PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, MASTER LESSOR, MASTER LESSOR'S MEMBERS, EMPLOYEES AND REPRESENTATIVES, MORTGAGEES (AS DEFINED IN ARTICLE 25 BELOW) OR OTHER SECURED PARTIES AND AGENTS (EACH A "**LANDLORD RELATED PARTY**"). NEITHER LANDLORD NOR ANY LANDLORD RELATED PARTY SHALL BE PERSONALLY LIABLE FOR ANY JUDGMENT OR DEFICIENCY, AND IN NO EVENT SHALL LANDLORD OR ANY LANDLORD RELATED PARTY BE LIABLE TO TENANT FOR ANY LOST PROFIT, DAMAGE TO OR LOSS OF BUSINESS OR ANY FORM OF SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGE. BEFORE FILING SUIT FOR AN ALLEGED DEFAULT BY LANDLORD, TENANT SHALL GIVE LANDLORD AND ANY MORTGAGEE(S) WHOM TENANT HAS BEEN NOTIFIED HOLD MORTGAGES OR OTHER ENCUMBRANCES ON THE BUILDING, NOTICE AND REASONABLE TIME TO CURE THE ALLEGED DEFAULT.

24. **Subordination**. Tenant accepts this Lease subject and subordinate to any mortgage(s), deed(s) of trust, ground lease(s) or other lien(s) now or subsequently arising upon the Premises, the Building or the Property, and to renewals, modifications, refinancing and extensions thereof (collectively referred to as a "**Mortgage**"). The party having the benefit of a Mortgage shall be referred to as a "**Mortgagee**". This clause shall be self-operative, but upon request from a Mortgagee, Tenant shall, within ten (10) days of request therefor**,** execute a commercially reasonable subordination agreement in favor of the Mortgagee. As an alternative, a Mortgagee shall have the right at any time to subordinate its Mortgage to this Lease. Upon request, Tenant, without charge, shall attorn to any successor to Landlord's interest in this Lease.

24.01 Upon enforcement of any rights or remedies under any mortgage or deed of trust to which this Lease is subordinated (including proceedings for judicial foreclosure or a trustee's sale pursuant to a power of sale, or deed in lieu of foreclosure delivered by Landlord to the mortgagee or beneficiary thereunder), Tenant shall, at the election of the purchaser or transferee under such right or remedy, attorn to and recognize such purchaser or transferee as Tenant's landlord under this Lease, Tenant shall execute and deliver any document or instrument required by such purchaser or transferee confirming the attornment hereunder.

25. **Force Majeure**. Landlord will not be deemed in breach or default of this Lease or have liability to Tenant, nor will Tenant have any right to terminate this Lease or abate rent or assert a claim of breach of any covenant of quiet enjoyment or partial or constructive eviction, because of Landlord's failure to perform any of its obligations under this Lease if the failure is due in part or in full to strikes, acts of God, shortages of labor or materials, war, terrorist acts, civil disturbances and other causes beyond Landlord's reasonable control ("**Force Majeure**"). If this Lease specifies a time period for performance of an obligation by Landlord, that time period will be extended by the period of any delay in Landlord's performance caused by such Force Majeure events as described herein.

26. **Landlord/Tenant Relationship.** Tenant agrees and acknowledges that in performing their respective obligations pursuant to this Lease, Landlord and Tenant shall be considered solely as a landlord and tenant, respectively, and not as an employee, agent or partner of, or joint venture partner with, or fellow cooperative or collective member or affiliate of the other Party. Lessee shall not be subject to the general supervision or control of Landlord regarding Tenant's use of the Premises under this Lease and shall be free to set its own business procedures subject to the provisions of this Lease. Any employee, associate, subcontractor, assistant or other persons whom Tenant retains (collectively, "Assistants") in connection with the use of the Premises shall be at Tenant's own cost and expense and will not, in any event, be or be deemed to be an agent or employee of Landlord, its members or affiliates.

27. **Option to Renew**

27.01 Tenant shall have the option to renew this Lease for two (2) additional term of five (5) years, commencing upon the expiration of the initial Lease Term. The renewal option must be exercised, if at all, by written notice given by Tenant to Landlord not earlier than nine (9) months or later than six (6) months prior to expiration of the initial Lease Term. Notwithstanding the foregoing, at Landlord's election, this renewal option shall be null and void and Tenant shall have no right to renew this Lease if on the date that Tenant exercises its renewal option or as of the date immediately preceding the commencement of the renewal period: (a) Tenant is in default under the Lease beyond any applicable cure periods; (b) all or any portion of the Premises is sublet other than as permitted pursuant to this Lease; (c) the Lease has been assigned prior to such date; (d) the Tenant or subtenant originally named herein is not occupying the Premises; or (e) the Premises is not intended for the exclusive use of Tenant or subtenant during the renewal term.

27.02 If Tenant exercises the renewal option, then all of the terms and conditions set forth in this Lease as applicable to the Premises during the initial Lease Term shall apply during the renewal term, except that (a) Tenant shall have no further right to renew this Lease, (b) Tenant shall take the Premises in their then "as-is" state and condition, (c) the rates for parking in the Building shall be as reasonably determined by Landlord based on the then current rates for parking in the Building, and (d) the Base Rent payable by Tenant for the Premises shall increase by 3% per year from Base Rent in effect for the prior year.

BASE RENT: Renewal Option 1

4/1/2021 – 3/31/2022	$17,184.80 [Net/Net/Net]
4/1/2022 – 3/31/2023	$17,700.34 [Net/Net/Net]
4/1/2023 – 3/31/2024	$18,231.35 [Net/Net/Net]
4/1/2024 – 3/31/2025	$18,778.29 [Net/Net/Net]
4/1/2025 – 3/31/2026	$19,341.64 [Net/Net/Net]

BASE RENT: Renewal Option 2

4/1/2026 – 3/31/2027	$19,921.89 [Net/Net/Net]
4/1/2027 – 3/31/2028	$20,519.55 [Net/Net/Net]
4/1/2028 – 3/31/2029	$21,135.14 [Net/Net/Net]
4/1/2029 – 3/31/2030	$21,769.19 [Net/Net/Net]
4/1/2030 – 3/31/2031	$22,422.27 [Net/Net/Net]

28. **Miscellaneous Provisions**.

28.01 Whenever the context of this Lease requires, the word "person" shall include any entity, and the singular shall include the plural and the plural shall include the singular. If more than one person or entity is Tenant, the obligations of each such person or entity under this Lease will be joint and several. The terms, conditions and provisions of this Lease will apply to and bind the heirs, successors, executors, administrators and assigns of Landlord and Tenant. No remedy or election hereunder shall be deemed exclusive but shall, whenever possible, be cumulative with all other remedies at law or in equity. Time is of the essence for the performance of each term, condition and covenant of this Lease.

28.02 The captions and headings of this Lease are used for the purpose of convenience only. This Lease contains all of the agreements and conditions made between Landlord and Tenant and may not be modified in any manner other than by a written agreement signed by both Landlord and Tenant. Any statements, promises, agreements, warranties or representations, whether oral or written, not expressly contained herein will in no way bind Landlord and Tenant expressly waives all claims for damages by reason of any statements, promises, agreements, warranties or representations, if any, not contained in this Lease. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver is in writing signed by a regional vice president or higher title of Landlord or of Landlord's management company, and no custom or practice which may develop between the parties during the Term shall waive or diminish the Landlord's right to enforce strict performance by Tenant of any terms of this Lease. Additionally, regardless of Landlord's knowledge of a default at the time of such acceptance, the acceptance of rent or any other payment by Landlord will not constitute a waiver by Landlord of any default by Tenant. Failure of Landlord to declare an Event of Default immediately upon the occurrence thereof, or delay in taking any action in connection therewith shall not waive such Event of Default, but Landlord shall have the right to declare any such Event of Default at any time thereafter. No waiver by Landlord of an Event of Default, or any agreement, term, covenant or condition contained in this Lease, shall be effective or binding on Landlord unless made in writing and no such waiver shall be implied from any omission by Landlord to take action with respect to such Event of Default or other such matter. No express written waiver by Landlord of any Event of Default, or other such matter, shall affect or cover any other Event of Default, matter or period of time, other than the Event of Default, matter and/or period of time specified in such express waiver. One or more written waivers by Landlord of any Event of Default, or other matter, shall not be deemed to be a waiver of any subsequent Event of Default, or other matter, in the performance of the same provision of this Lease. Acceptance of Rent by Landlord hereunder shall not, in and of itself, constitute a waiver of any Event of Default or of any agreement, term, covenant or condition of this Lease, except as to the payment of Rent so accepted, regardless of Landlord's knowledge of any concurrent Event of Default or matter. All of the remedies permitted or available to Landlord under this Lease, or at law or in equity, shall be cumulative and not alternative; invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right or remedy.

This Lease is governed and construed in accordance with the laws of the state in which the Premises are located, and venue of any legal action will be in the county where the Premises are located.

28.03 This Lease has been fully reviewed by both parties and shall not be strictly or adversely construed against the drafter. If any provision contained herein is determined to be invalid, illegal or unenforceable in any respect, then (a) such provision shall be enforced to the fullest extent allowed, and (b) such invalidity, illegality, or unenforceability will not affect any other provision of this Lease. All provisions of this Lease have been negotiated by Landlord and Tenant at arm's length and neither party shall be deemed the scrivener of this Lease. This Lease shall not be construed for or against either party by reason of the authorship or alleged authorship of any provision hereof or by reason of the status of the respective parties as Landlord or Tenant.

28.04 Except as required under Articles 20 and/or 25 of this Lease, Tenant hereby agrees not to disclose any terms of this Lease without the prior written consent of Landlord or as required by law. Tenant shall not record this Lease or any short form memorandum hereof.

28.05 All obligations of Tenant under this Lease not fully performed as of the expiration or earlier termination of the Term shall survive the expiration or earlier termination of this Lease.

28.06 Landlord and Tenant each warrant to the other that it has not dealt with any broker or agent in connection with this Lease, other than the person(s) listed in the Basic Lease Information. Landlord and Tenant each agree to indemnify the other against all costs, expenses, legal fees and other liability for commissions or other compensation claimed by any other broker or agent by reason of the act or agreement of the indemnifying party. The provisions of this Section 29.06 shall survive the expiration or earlier termination of this Lease.

28.07 The grant of any consent or approval required from Landlord under this Lease shall be provided only by proof of a written document signed and delivered by Landlord expressly setting forth such consent or approval. Unless otherwise specified herein, any such consent or approval may be withheld in Landlord's sole discretion. Notwithstanding any other provision of this Lease, the sole and exclusive remedy of Tenant for any alleged or actual improper withholding, delaying or conditioning of any consent or approval by Landlord shall be the right to specifically enforce any right of Tenant to require issuance of such consent or approval on conditions allowed by this Lease.

28.08 Tenant agrees to abide by, keep and observe, and shall cause its employees, suppliers, shippers, customers, agents, contractors and invitees to so abide by, keep and observe, all Rules and Regulations and all additions and amendments to the same of which Landlord provides written notice to Tenant. Landlord will not be responsible to Tenant for any nonperformance by any other tenant, occupant or invitee of the Property of any said Rules and Regulations.

28.09 Tenant will not place any signage on or about the Property, or on any part thereof, without the prior written consent of Landlord, which Landlord may withhold or condition in its sole discretion. Tenant is expressly prohibited from using any signage or advertising which employs marijuana related symbols, language, phrases or terms, as determined in Landlord's sole discretion. All Tenant signage will comply with the terms and conditions of this Lease, the all applicable Laws, and sign criteria for the Building as promulgated by Landlord from time to time and the Rules and Regulations and/or other criteria, which Landlord may establish from time to time.

28.10 If, on account of any breach or default by Tenant in Tenant's obligations under the terms and conditions of this Lease, it shall become necessary or appropriate for Landlord to employ or consult with an attorney or collection agency concerning or to enforce or defend any of Landlord's rights or remedies arising under this Lease or to collect any sums due from Tenant, Tenant agrees to pay all reasonable costs and fees so incurred by Landlord, including, without limitation, reasonable attorneys' fees and costs. If either party institutes a suit against the other for violation of or to enforce any covenant, term or condition of this Lease, the prevailing party shall be entitled to reimbursement of all of its costs and expenses, including, without limitation, reasonable attorneys' fees.

28.11 Tenant represents and warrants to Landlord that each individual executing this Lease on behalf of Tenant is authorized to do so on behalf of Tenant and that Tenant is not, and the entities or individuals constituting Tenant or which may own or control Tenant or which may be owned or controlled by Tenant are not, (i) in violation of any laws relating to terrorism or money laundering, or (ii) among the individuals or entities identified on any list compiled pursuant to Executive Order 13224 for the purpose of identifying suspected terrorists or on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, http://www.treas.gov/ofac/tllsdn.pdf or any replacement website or other replacement official publication of such list.

28.12 Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS LEASE. THE TENANT AND/OR THEIR GUESTS, INVITEES, ETC COLLECTIVELY AND INDIVIDUALLY (COLLECTIVELY THE "PARTICIPANTS") WAIVE A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH PARTICIPANTS AND LANDLORD/OWNER MAY BE PARTIES, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY PERTAINING TO, THIS LEASE AGREEMENT. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ANY AND ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTION OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY LESSEE, AND LESSEE HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. LESSEE FURTHER REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS LEASE AGREEMENT AND IN THE MAKING OF THIS WAIVER, BY INDEPENDENT LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

28.13 Solely for the purpose of effectuating Tenant's indemnification obligations under this Lease, and not for the benefit of any third parties (including but not limited to employees of Tenant), Tenant specifically and expressly waives any immunity that it may be granted under applicable federal, state or local Worker Compensation Acts, Disability Benefit Acts or other employee benefit acts. Furthermore, the indemnification obligations under this Lease shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under Worker Compensation Acts, Disability Benefit Acts or other employee benefit acts. The parties acknowledge that the foregoing provisions of this Section have been specifically and mutually negotiated between the parties.

28.14 Landlord and any successor Landlord have the right to sell the Property or any portion of it, or to assign its interest in this Lease, at any time and from time to time. Upon the sale or any other conveyance by Landlord of the Property, or a portion thereof which includes the Premises, Landlord shall be released from all obligations and liability under this Lease arising out of any act, event, occurrence or omission occurring or existing after the date of such conveyance, and in such event Tenant agrees to look solely to the responsibility of the successor in interest of Landlord in and to this Lease.

28.15 Time is of the essence with respect to the performance of each of the covenants and agreements contained in this Lease.

28.16 If any term or provision of this Lease, or the application thereof to any person or circumstance, shall be invalid or unenforceable, then the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby. This Lease shall be construed and enforced in accordance with the laws of the State of Colorado.

28.17 This Lease, together with the Exhibits hereto, contains all the representations and the entire understanding between the parties with respect to the subject matter hereof. The Exhibits to this Lease are fully incorporated herein by reference. Any prior negotiations, correspondence, memoranda, agreements, representations or warranties are replaced in total by this Lease and the Exhibits hereto. All reliance with respect to representations and warranties is solely upon the representations and warranties contained in this Lease. This Lease may be modified or amended only by an agreement in writing signed by each of the parties.

Landlord and Tenant have executed this Lease as of the day and year first above written.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the date first hereinabove written.

TENANT:
CLS Labs Colorado, Inc. a Florida Corporation

By: /s/ Jeffrey I. Binder

Name: Jeffrey I. Binder

Title: Chairman, President and Chief Executive Officer

LANDLORD:
Casimir-Quince , LLC, a Colorado Limited Liability Company

By: /s/ Christopher F. Mayo

Name: Christopher F. Mayo

Title: Managing Member

[Exhibits attached hereto and incorporated by reference herein.]

Exhibit A

Floor Plan of Premises

*

* Portions of this document omitted pursuant to an application for an order for confidential treatment pursuant to Rule 24b-2 under the Exchange Act. Confidential portions of this document have been filed separately with the Securities and Exchange Commission.

Exhibit B

Estimated Additional Rent (Annual)

Property Taxes - $16,703.28

Otis Elevator - $3,033.12

Landscaping - $442.00

Snow Plowing - 340.00

Exhibit C

GUARANTY OF LEASE

WHEREAS, a certain Lease of even date herewith has been, or will be, executed by and between, Casimir-Quince, LLC, herein referred to as "Landlord," and **CLS Labs Colorado, Inc. a Florida Corporation**, herein referred to as "Tenant," covering certain Premises at 1955 South Quince Street, Denver CO, 80231.

WHEREAS, the Landlord under said Lease requires as a condition to its execution of said Lease that the undersigned guaranty the full performance of the obligations of Tenant under said Lease; and

WHEREAS, the undersigned is desirous that Landlord enter into said Lease with Tenant.

NOW THEREFORE, in consideration of the execution of said Lease by Landlord, the undersigned hereby unconditionally guarantees the full performance of each and all of the terms, covenants and conditions of said Lease to be kept and performed by said Tenant, including the payment of all rentals and other charges to accrue thereunder. The undersigned further agrees as follows:

1. That this covenant and agreement on its part shall continue in favor of the Landlord notwithstanding any extension, modification, or alteration of said Lease entered into by and between the parties thereto or their successors or assigns, or notwithstanding any assignment of said Lease, with or without the consent of the Landlord, and no extension, modification, alteration or assignment of the above referred to Lease shall in any manner release or discharge the undersigned and it does hereby consent thereto.

2. This Guaranty will continue unchanged by any bankruptcy, reorganization or insolvency of the Tenant or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of Tenant.

3. Landlord may, without notice, assign this Guaranty in whole or in part and no assignment or transfer of the Lease shall operate to extinguish or diminish the liability of the undersigned hereunder.

4. The liability of the undersigned under this Guaranty shall be primary and that in any right of action which shall accrue to Landlord under the Lease, the Landlord may, at its option, proceed against the undersigned without having commenced any action, or having obtained any judgment against the Tenant.

5. To pay Landlord's reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempted collection or in any negotiations relative to the obligations hereby guaranteed or enforcing this Guaranty against the undersigned, individually and jointly.

6. That it does hereby waive notice of any demand by the Landlord, as well as any notice of default in the payment of rent or any other amounts contained or reserved in the Lease.

7. The use of the singular herein shall include the plural. The obligation of two or more parties shall be joint and several. The terms and provisions of the Guaranty shall be binding upon and inure to the benefits of the respective successors and assigns of the parties herein named.

8. Provided that they meet with Landlord's inspection of financial condition, Landlord shall grant Tenant the opportunity to add two (2) additional Guarantors to this Guaranty during the first three (3) months of the Lease Term as defined herein.

IN WITNESS WHEREOF, the undersigned has caused this Guaranty to be executed as of the date set forth of this Lease.

GUARANTOR:

By: CLS Labs Colorado, Inc. a Florida Corporation

By: /s/ Jeffrey I. Binder

Name: Jeffrey I. Binder

Title: Chairman, President and Chief Executive Officer

EXHIBIT D

Addendum

Landlord will be responsible for roof related repairs for five (5) years from the Commencement Date of this agreement. Landlord's agreement to repair the roof of the premises expressly excludes any damages to the roof caused by Tenant, its employees, guests, invitees, licensees, subtenants or any other person acquiring access to the premises with the express or implied consent of the Tenant. Furthermore, said agreement to repair does not apply to any damage to the roof caused by Tenant where the damage exceeds the Tenant's regular business activities. Tenant expressly understands and agrees that, except as set forth below, if it or its agents accesses the roof and causes damage thereto, that it will be liable for the cost to repair such damages. Landlord agrees to provide Tenant with contact information for a person who can repair any roof leaks or other roof problems that require urgent attention in order for Tenant to conducts its regular business activities. Should Tenant experience a roof leak or other roof problem, Tenant agrees to contact this person or company to correct the problem at Landlord's sole cost. Should such person or company fail to address the problem within 24 hours, Tenant shall be permitted to contact its own agent to correct the problem at Landlord's sole cost and Tenant shall not be liable for any damage to the roof caused by its agent in correcting the problem.

Landlord will be responsible for any repairs or replacement the HVAC and heating system for two (2) years from the Commencement Date that are not the result of Tenant's other than regular business activities. Except as follows, Tenant agrees not to modify change or adjust the external HVAC units while occupying the Premises. Landlord agrees to provide Tenant with contact information for a person who can repair the HVAC and heating system promptly in order for Tenant to conducts its regular business activities. Should Tenant experience a HVAC or heating system problem, Tenant agrees to contact this person or company to correct the problem at Landlord's sole cost. Should such person or company fail to respond within 24 hours and/or correct the problem within a reasonable time period, Tenant shall be permitted to contact its own agent to correct the problem at Landlord's sole cost and Tenant shall not be liable for any damage to the HVAC and heating system caused by its agent in correcting the problem..

Landlord shall assure that the minimum ceiling height in the Premises is not less than 9 feet 6 inches, measured from the lowest point of the drop ceiling and sprinkler heads to the first floor.

Notwithstanding anything else contained in this Lease, (a) a Default with respect to payment of amounts due under this Lease (Base Rent, Additional Rent or other amounts)(collectively, a "Monetary Default") shall not exist until Landlord has provided written notice to Tenant that it has not received such amount and five (5) business days have elapsed after Tenant receives such notice and such amount remains unpaid; and (b) a Default with respect to any matter other than a Monetary Default shall not exist Landlord has provided written notice to Tenant of the nature of such non-monetary default and Tenant has failed to cure such non-monetary default within a reasonable period of time based on good business practices.

Exhibit 10.6

SUBLEASE AGREEMENT
between

CLS LABS COLORADO, INC., a Florida corporation,

("Landlord")

and

PICTURE ROCK HOLDINGS, LLC, a Colorado limited liability company,

("Tenant")

1955 SOUTH QUINCE STREET
DENVER, CO 80231

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (the "Lease") is effective as of the 1st day of April, 2015, by and between **CLS LABS COLORADO, INC.,** a Florida corporation ("Landlord") and **PICTURE ROCK HOLDINGS, LLC**, a Colorado limited liability company ("Tenant").

RECITALS

A. **CASIMIR-QUINCE, LLC,** a Colorado limited liability company ("Prime Landlord") and Landlord ("Prime Tenant"), entered into that certain Lease Agreement dated April 1, 2015 (the "Quince Lease") concerning the office and warehouse space (the "Prime Premises") within the office building (the "Building") located at 1955 South Quince Street, Denver, CO 80231, with said Prime Premises more particularly described in the Quince Lease attached hereto and made a part hereof as Exhibit "A"; and

B. Landlord and Tenant now desire to enter into this Lease to sublet the Prime Premises (the "Premises").

NOW, THEREFORE, Landlord, in consideration of the rents to be paid and the covenants and agreements to be performed by Tenant as hereinafter set forth, hereby subleases and demises to Tenant and Tenant hereby subleases from Landlord the Premises upon the conditions and agreements hereinafter set forth as follows:

1. **Demise.**

(a) Tenant does hereby take and hire the Premises from Landlord on and subject to each of the terms, covenants and conditions hereof, but always subject and subordinate in all respects to the terms and conditions of the Quince Lease. Unless expressly stated otherwise, the defined terms used herein will have the same meanings given them in the Quince Lease. In the event of any conflict or inconsistency between the terms and provisions of the Quince Lease and the terms and conditions of this Lease, the terms and provisions of this Lease shall govern as between Landlord and Tenant.

(b) Subject to the provisions hereof, the Quince Lease is incorporated in this Lease by reference as fully as if the terms and provisions of the Quince Lease were set forth in full in this Lease. Tenant hereby accepts the foregoing and, except as otherwise provided herein, during the term of this Lease, Tenant agrees to assume and be bound by all of the responsibilities, obligations, rights, privileges and duties of Landlord under the Quince Lease with respect to the Premises; provided, however, that Tenant shall not have any right to assign, sublet, or renew this Lease. Tenant's liability policy must name the Prime Landlord and the Landlord as additional insured.

(c) Notwithstanding anything to the contrary herein contained, Landlord shall not be obligated to perform any of the covenants or obligations of the Prime Landlord under the Quince Lease. All insurance, indemnification, repair, utilities, services, maintenance and restoration and other covenants and obligations, if any, of the Prime Landlord under the Quince Lease will continue to be provided by the Prime Landlord and will not be performed or provided by Landlord, and Tenant will not, under any circumstances, seek nor require Landlord to perform any of such services, nor will Tenant make any claim upon Landlord for any damage which may arise by reason of the Prime Landlord's default under the Quince Lease or Landlord's default under the Sublease.

(d) During the term of this Lease, Tenant covenants and agrees not to violate any of the terms of the Quince Lease or the Sublease or cause Landlord to do so. Tenant covenants and agrees to indemnify, protect, defend and hold Landlord harmless from and against any and all claims, demands, losses, liabilities and penalties (including, without limitation, reasonable attorneys' fees at all trial and appellate levels) arising as a result of Tenant's breach of any of the terms of the Quince Lease or the Sublease. This indemnification will survive the expiration or sooner termination of this Lease.

2. **Representations of Landlord.** Landlord hereby represents and warrants as follows:

(a) Attached hereto as Exhibit "A" is a true and correct copy of the Quince Lease. Tenant acknowledges it has reviewed and accepted the Quince Lease.

(b) As of the date hereof, the Quince Lease is in full force and effect.

(c) Landlord has not assigned any of its rights or interests in and to the Premises.

(d) Landlord has lawful leasehold title to the leasehold estate and, subject to the terms and provisions of this Lease and the Quince Lease, Tenant may lawfully occupy and enjoy the Premises during the term of this Lease.

3. **Term.** The term of this Lease (the "Term") shall be for a period of 72 months (6 years) commencing on March 1, 2015 (the "Commencement Date") and ending on March 31, 2021 (the "Termination Date"). Notwithstanding the foregoing, the Term of this Lease shall automatically expire on the Termination Date of the Quince Lease.

4. **Rent**.

(a) Tenant shall pay to Landlord as rent hereunder for the Premises monthly payments equal to the payments of Rent and Additional Rent due under the Quince Lease ("Rent"), prorated for any partial month. Rent will be due and payable in advance and without demand, offset or deduction commencing on the Commencement Date and on the first day of each calendar month thereafter during the Term, plus applicable State of Colorado sales tax due thereon.

(b) Tenant will send all payments due hereunder to Landlord to the notice address contained in this Lease or to such other person, entity or address as Landlord may hereafter designate from time to time in writing.

(c) In the event any rental or other payment due Landlord hereunder shall not have been paid within five (5) days after the due date, Tenant will pay a late charge equal to the greater of (a) $250.00, or (b) the highest maximum legal interest rate per annum permitted from time to time under applicable Colorado State Law, of the then delinquent amount. Tenant will pay a $75.00 handling fee to Landlord for each returned bank check.

5. **Other Costs.** The Rent payable under this Lease includes all Additional Rents that would otherwise be payable pursuant to the Quince Lease and the utilities serving the Premises. Rent does not include postage, photocopy or other office services provided by Landlord, which services Landlord may elect to provide at Tenant's request at the rates determined by Landlord and agreed upon by Tenant.

6. **Event of Default.** Events of default and remedies under this Lease shall be as set forth in the Quince Lease except that references therein to Landlord and Tenant shall refer to the respective parties hereto and the premises shall relate only to the Premises.

7. **Use of Demised Premises.** Tenant will use the Premises for the purposes set forth in the Quince Lease and for no other use or purpose. In no event may the Premises be used for any of the uses prohibited in the Quince Lease.

8. **Acceptance of Premises.** Tenant accepts possession of the Premises in its "as is" condition and acknowledges that Landlord has not made any representations or warranties with respect to the condition of the Premises or the appropriateness of Tenant's intended use of the Premises except as specifically set forth herein. The taking of possession of the Premises by Tenant shall be conclusive evidence that the Premises were in good and satisfactory condition at the time such possession was taken.

9. **Tenant Cooperation.** The terms and provisions of this Agreement are subject to the Prime Landlord consenting to the terms hereof and executing the Consent attached hereto. Tenant acknowledges that the prior written consent of Prime Landlord is a condition precedent to the effectiveness of this Lease. Tenant agrees to provide such financial and other information which Prime Landlord and/or Prime Tenant may request in connection with the granting of the Consent.

10. **Notices.** All notices provided for herein must be in writing and given by (i) United States Certified Mail, Return Receipt Requested, (ii) recognized national overnight courier service such as Federal Express, DHL, or Airborne or (iii) hand delivery, to the following addresses:

If to Landlord: CLS Labs Colorado, Inc.
11767 S. Dixie Highway, #115
Miami, Florida 33156

If to Tenant: Picture Rock Holdings, LLC
1435 Yarmouth St., #106
Boulder, Colorado 80304

or to such other address or addresses as a party may designate by written notice to the other party. All notices provided for herein will be deemed to have been delivered or received as of the date said notice was signed for or refused to have been signed for by the party to whom such notice was sent.

11. **Subordination.** Tenant acknowledges and agrees that notwithstanding any provision to the contrary contained in the Quince Lease, this Lease is automatically subject and subordinate to any and all mortgages now or hereafter placed on the property of which the Premises are a part, and to any and all advances made thereunder and to the interest thereon, and all renewals, modifications, replacements and extensions thereof, without the need for any further instrument.

12. **Brokers.** Landlord and Tenant each warrant to the other that no real estate broker or agent has been used or consulted in connection with the sublease of the Premises. Each covenants and agrees to defend, indemnify and save the other harmless from and against any actions, damages, real estate commissions, fees, costs and/or expenses (including reasonable attorneys' fees), resulting or arising from any commissions, fees, costs and/or expenses due to any real estate brokers or agents, other than as identified herein, because of the sublease of the Premises and the execution and delivery of this Lease, or due to the acts of the indemnifying party.

13. **Miscellaneous.**

(a) Radon. Pursuant to the provisions of the Florida Statutes § 404.056(5), Tenant is hereby advised and notified that radon is a naturally occurring radioactive gas that, when it has accumulated in buildings in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from the county public health unit.

(b) Entire Agreement. This Lease contains the entire agreement of Landlord and Tenant, and no representations, warranties, inducements, promises or agreements, oral or written, between the parties not embodied herein shall be of any force or effect. No provision of this Lease may be waived or amended except by a writing signed by the party against whom enforcement of such waiver or amendment is sought.

(c) Waiver of Subrogation. Tenant hereby waives any and all rights of recovery against Landlord based upon the negligence of Landlord or its agents or employees for real or personal property loss or damage occurring to the Premises, or to the Building or to any personal property located therein from perils which are insured against in standard fire and extended coverage, vandalism and malicious mischief and sprinkler leakage insurance contracts (commonly referred to as “All Risk”), whether or not such insurance is actually carried. If Tenant’s insurance policies do not permit this waiver of subrogation, then Tenant will obtain such a waiver from its insurer at its sole expense.

(d) Waiver. No waiver by Landlord or Tenant of any breach or default of any term, agreement, covenant or condition of this Lease shall be deemed to be a waiver of any other term, agreement, covenant or condition hereof or of any subsequent breach by Landlord or Tenant of the same or any other term, agreement, covenant or condition. Landlord’s consent to or approval of any act by Tenant requiring Landlord’s consent or approval shall not be deemed to render unnecessary the obtaining of Landlord’s consent to or approval of any subsequent act of Tenant, whether or not similar to the act so consented to or approved. No act or thing done by Landlord or Landlord’s agents during the Term of this Lease shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such a surrender shall be valid unless in writing and signed by Landlord. The subsequent acceptance of rent shall not be deemed a waiver of any preceding breach by Tenant of any agreement, covenant or obligation of Tenant or any other term or condition of this Lease. No delay in billing or any failure to bill Tenant for any rent, nor any inaccurate billing of rent shall constitute a waiver by Landlord of its right to collect and to enforce Tenant’s obligation to pay the full amount of rent due and payable under this Lease, as the same may be adjusted or increased from time to time.

(e) Accord and Satisfaction. No payment by Tenant or receipt by Landlord of an amount less than is due hereunder shall be deemed to be other than payment towards or on account of the earliest portion of the amount then due by Tenant nor shall any endorsement or statement on any check or payment (or in any letter accompanying any check or payment) be deemed an accord and satisfaction (or payment in full), and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such amount or pursue any other remedy provided herein.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the date first above written.

WITNESSES:

_____
Print Name: _____

_____
Print Name: _____

_____
Print Name: _____

_____
Print Name: _____

LANDLORD:
CLS LABS COLORADO, INC., a Florida corporation

By: /s/ Jeffrey I. Binder
Print Name: Jeffrey I. Binder
Title: Chairman, President and Chief Executive Officer

TENANT:
PICTURE ROCK HOLDINGS, a Colorado limited liability company

By: /s/ Greg Friedman
Print Name: Greg Friedman
Its: Member and CFO

EXHIBIT "A"

QUINCE LEASE

Exhibit 10.7

LICENSING AGREEMENT

THIS LICENSING AGREEMENT is made as of April 17, 2015 by and between CLS Labs Colorado, Inc. a Florida corporation, its successors and assigns, with offices at 11767 S. Dixie Highway, Suite 115, Miami, FL 33156, ("LICENSOR"), and Picture Rock Holdings, LLC, a Colorado limited liability company, with offices at 1435 Yarmouth Street, #106, Boulder, CO 80304 ("LICENSEE") (collectively the "PARTIES").

RECITALS

WHEREAS, LICENSOR is the owner and developer of certain proprietary inventions and formulas relating to the extraction from, separation and processing (the "Process") of marijuana to produce certain marijuana-infused products, including edibles, e liquids, waxes and shatter (the "Products");

WHEREAS, LICENSOR has developed specific know-how based on practical experience in employing the Process and producing the Products, which know-how is of great commercial importance and is not readily available from any patents or other publications;

WHEREAS, LICENSEE is currently licensed by the applicable local and state licensing authorities pursuant to various licenses to produce, manufacture, and sell marijuana-infused products at LICENSEE's facility ("Facility") located at the address set forth in the first paragraph of this agreement (the "Leased Real Property"), and such licenses are in good standing;

WHEREAS, LICENSEE desires to obtain exclusive rights to use LICENSOR'S Process in the state of Colorado (the "Territory"), and LICENSOR is willing to grant such rights on the terms and conditions contained in this agreement;

WHEREAS, LICENSEE desires that LICENSOR build a plant at its Facility for the purpose of using the Process to manufacture the Products; and

WHEREAS, as an inducement and condition to LICENSOR'S agreement to build a plant at LICENSEE'S Facility, LICENSEE has agreed to lease the leasehold improvements constructed by LICENSOR from LICENSOR pursuant to a separate agreement (the "Lease") and to enter into this agreement.

NOW, THEREFORE, in consideration of the promises and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. LICENSEE'S RIGHTS

A. License. LICENSOR hereby grants to LICENSEE, an exclusive license, without the right to sublicense, for the Term of this Agreement as hereinafter defined, to practice and use the Process in conjunction with the manufacture, production, sale, and distribution of the Products, in the Territory using any and all know how that LICENSOR has or may subsequently acquire during the Term of this Agreement. Such license shall include the right to use any of LICENSOR'S intellectual property rights associated with or related to the Process or the use of the Process in manufacturing and producing the Products including but not limited to brands, trade names, trademarks, and other intellectual property. Licensee shall have the sole right to determine what Products to manufacture using the Process. However, it is specifically acknowledged by the LICENSEE that it is not acquiring any rights in or to the Process and as a material part of this exclusive license, LICENSEE shall make no effort to learn or otherwise make use of the Process except as provided herein.

B. No Other Licenses. The license granted under this Licensing Agreement is specifically set forth herein, and no licenses are granted by LICENSOR to LICENSEE by implication or estoppel.

C. Limitation on Use. LICENSEE shall not use the license granted herein for any purpose other than as authorized by this Licensing Agreement. Any proposed additions or modifications to the Process, Products or proposed new developments based on the Process or Products shall be submitted in writing to LICENSOR.

D. Compliance. LICENSEE shall package and label the Products in accordance with the Colorado Medical Marijuana Code and/or Colorado Retail Marijuana Code using mutually agreed upon brand names and labels as set forth in Schedule "A" attached hereto. Licensee shall not use any brand names other than the mutually agreed upon brand names in connection with the production, manufacture, advertising, sale, and distribution of the Products.

2.TERM OF THE AGREEMENT

A. This Licensing Agreement and the provisions hereof, except as otherwise provided, shall terminate upon the earlier of the date that is ten (10) years from the date of execution of this Licensing Agreement by both parties (the "Effective Date"), or the date upon which LICENSOR'S lease of the Leased Real Property is terminated (the "Term"), and shall automatically be renewed for a term of twelve (12) months at the end of each term as long as the lease for the Leased Real Property is in effect (or such lesser period as remains under the lease for the Leased Real Property) unless written notice is provided by either party to the other, at least fifteen (15) days before the end of the Term.

3.OBLIGATIONS OF LICENSEE

A. Compliance with Colorado Law. LICENSEE agrees that it shall, at all times, comply with the C.R.S. 12-43.3-101 et. seq ("Colorado Medical Marijuana Code"), C.R.S. 12-43.4-101 et seq. ("Colorado Retail Marijuana Code), and any other applicable state or local law

B. Process. LICENSEE shall not reverse engineer, reverse compile or disassemble any Process, or otherwise attempt to analyze any steps in the Process. The foregoing shall not apply to such activities conducted in the ordinary course of technical support of Products.

C. Records and Reports. LICENSEE will maintain accurate records of amounts and kinds of Products processed by use of the licensed Process and will submit monthly reports reflecting its operations under this agreement in such form as LICENSOR shall require from time to time.

D. Inspection of Premises, Records and Products. LICENSOR shall have the right at all times to inspect the premises of LICENSEE (including all materials and supplies used by LICENSEE in its operations under this agreement), to audit LICENSEE'S records for the purpose of determining compliance with any or all portions of this agreement provided such inspection is permitted under the Colorado Medical Marijuana Code and/or Colorado Retail Marijuana Code, and to test LICENSEE'S Products to confirm the quality thereof provided such testing is in compliance with Colorado law.

E. Testing of Products. LICENSEE shall periodically send its Products to an independent Marijuana Testing Facility licensed by the State of Colorado and applicable local licensing authorities, at its sole cost, to confirm that LICENSEE'S are of the quality stated by LICENSEE and otherwise comply with applicable law.

4.OBLIGATIONS OF LICENSOR

A. LICENSOR shall also be available by telephone, e-mail, fax or, if requested by LICENSEE, in person, in connection with LICENSEE'S use of the Process to develop and support the Products, including the use of reasonable commercial efforts: (I) to answer LICENSEE'S questions regarding the proper utilization and optimization of the Process; and (ii) to provide solutions, to correct any reproducible error in the Process.

5. COMPENSATION

A. License Fee. LICENSEE agrees to pay LICENSOR * annually, payable in monthly installments of * no later than the fifth (5th) day of each month, in advance, to secure the licensing rights to use the Process to manufacture, produce and sell the Products (the "License Fee"). The License Fee is a payment independent of any other payments required to be paid between the Parties and is not creditable against any such payments.

B. Survival. LICENSEE'S obligations for the payment of the License Fee shall continue for so long as LICENSEE continues to use the Process to manufacture, sell or otherwise market the Licensed Products.

C. Late Payments. Late payments shall incur interest at the rate of ten percent (10%) per annum from the date such payments were originally due.

6. MARKETING AND PUBLICITY

A. Joint Efforts. The Parties agree to work together to identify areas where joint-marketing efforts would benefit both parties, and upon mutual agreement shall implement such efforts.

B. Non-Disclosure. Neither party shall disclose the terms of this Agreement to any third party, other than its financial or legal advisors, or make any announcements regarding the nature of the relationship between the parties without the prior approval of the other party, except that a party may disclose the terms of this Agreement where required by law, provided that such party uses reasonable effort to obtain confidential treatment or similar protection to the fullest extent available to avoid public disclosure of the terms of this Agreement. A party required by law to make disclosure of the terms of this Agreement will promptly notify the other party and permit the other party to review and participate in the application process seeking confidential treatment. Under this provision, the parties agree that the terms of the agreement are also to be kept confidential, unless required by law, or otherwise agreed to by both parties.

7. INTELLECTUAL PROPERTY RIGHTS

A. LICENSEE acknowledges that the Process is a valuable property of LICENSOR and qualifies as a trade secret within the meaning of the Colorado Uniform Trade Secrets Act. LICENSEE further acknowledges that LICENSOR is the sole and exclusive owner of the Process.

B. This Agreement shall not be construed to give LICENSEE any vested right, title, or interest in the Process, the Products, or any trademarks or copyrighted materials of LICENSOR except to the extent and in the manner, time, and places LICENSEE is authorized subject to the provisions of this Agreement.

C. LICENSOR may seek, obtain and, during the Term of this Agreement, maintain in its own name and at its own expense, appropriate intellectual property protection for the Process or the Products.

D. LICENSEE acknowledges the legal validity and commercial value of the Process and the Products and Licensor's related intellectual property, including but not limited to any state or federal registrations that LICENSOR owns, obtains, or acquires. LICENSEE shall not, any time, file any application for intellectual property protection with the United States Patent and Trademark Office, or with any other governmental entity for the Process or the Products. This shall include any related or substantially similar intellectual property related to the Process or Products or any proposed new intellectual property that has been developed using the Process licensed hereunder, including intellectual property developed by the employees of LICENSOR who are supervised by LICENSEE and work for have worked at LICENSEE'S Facility..

* Portions of this document omitted pursuant to an application for an order for confidential treatment pursuant to Rule 24b-2 under the Exchange Act. Confidential portions of this document have been filed separately with the Securities and Exchange Commission.

E. In the event that a material breach of this Agreement by LICENSEE occurs or is threatened, the LICENSOR shall be entitled to injunctive relief restraining the act or threatened act which constitutes or would constitute a breach hereunder. In addition, the LICENSOR shall be entitled to other available relief for any such material breach.

F. The parties agree to execute any documents reasonably requested by the other party to effect any of the above provisions.

8. INFRINGEMENTS

A. LICENSOR shall have the sole and exclusive right, but not the obligation, in its discretion, to institute and prosecute lawsuits against third persons for infringement of the rights licensed in this Agreement. All sums recovered in any such lawsuits, whether by judgment, settlement or otherwise, in excess of the amount of reasonable attorneys' fees and other out of pocket expenses of such suit, shall be retained solely by LICENSOR.

B. LICENSEE agrees to fully cooperate with LICENSOR in the prosecution of any such suit against a third party and shall execute all papers, testify on all matters, and otherwise cooperate in every way necessary and desirable for the prosecution of any such lawsuit. The LICENSOR shall reimburse the LICENSEE for any expenses incurred as a result of such cooperation.

9.REPRESENTATIONS AND WARRANTIES

A. LICENSOR represents and warrants that it has the right and power to grant the licenses granted herein.

B. LICENSEE shall be solely responsible for the manufacture, production, sale and distribution of the Products and will bear all related costs associated therewith.

C. LICENSEE shall provide and maintain at it sole cost and expense during the term of this agreement commercial general liability insurance endorsed for * which insurance policy shall name LICENSOR as an additional insured and shall be written on an occurrence form coverage basis. Evidence of such coverage reasonably satisfactory to LICENSOR shall be delivered to LICENSOR upon request therefor. Such insurance shall be issued by reputable and sound insurance companies satisfactory in LICENSOR's discretion.

D. LICENSEE shall also comply with such guidelines, policies, and requirements as LICENSOR may give written notice from time to time related to the Process.

10. INDEMNIFICATION

A. LICENSEE shall, at its own expense, defend and indemnify LICENSOR for damages and reasonable costs incurred in any suit, claim or proceeding brought against LICENSOR or its subsidiaries based on (i) the manufacture, production, sale, and distribution of the Products by LICENSEE including, but not limited to product liability claims; (ii) modification of the Process by someone other than LICENSOR; (iii) LICENSEE's continued use of the Process after notification that the Process may be infringing; (iv) LICENSEE's use of the Process in a manner not permitted by Licensee; or (v) any matter relating to the Leased Employees.

CONFIDENTIAL INFORMATION

A. For purposes of this agreement, the term "Confidential Information" shall mean the following:

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* Portions of this document omitted pursuant to an application for an order for confidential treatment pursuant to Rule 24b-2 under the Exchange Act. Confidential portions of this document have been filed separately with the Securities and Exchange Commission.

i. Any information, formula, recipe, know-how, data, process, technique, design, drawing, program, formula or test data, work in process, engineering, manufacturing, marketing, financial, sales, supplier, customer, employee, investor or business information, whether in oral, written, graphic, or electronic form, or

ii. Any document, diagram, drawing, computer program or other communication which is either conspicuously marked "confidential", known or reasonably known by the other party to be confidential, or is of a proprietary nature and is learned or disclosed in the course of discussions, studies, or other work undertaken between the parties.

B. During and after the term of this agreement, LICENSEE shall not use the Confidential Information except for the manufacture, sale and distribution of Products, as set forth herein, and shall not disclose the Confidential Information received under this agreement to any other person or entity other than its employees, and shall also require all its employees who receive such Confidential Information to sign written agreements requiring them not to disclose such Confidential Information during and after their tenure with LICENSEE. LICENSEE shall be responsible for a breach of this agreement by its employees.

C. Upon termination of this agreement, LICENSEE shall promptly deliver to LICENSOR any and all Confidential Information in its possession or under its control.

D. The parties agree that Confidential Information shall not include any of the following types of information:

i. Information that is or becomes generally available to the public other than as a result of a disclosure by LICENSEE or its employees,

ii. Information that was available to LICENSEE on a non-confidential basis prior to its disclosure to LICENSEE by LICENSOR or its agents, or

iii. Information that becomes available to you on a non-confidential basis from a source other than LICENSOR or its agents, provided that such source is not bound by a confidentiality agreement with LICENSOR known to LICENSOR or its employees.

E. LICENSEE shall not be liable for disclosure of Confidential Information if made in response to a valid order of a court or authorized agency of government; provided that ten (10) days' notice first be given to LICENSOR so a protective order, if appropriate, may be sought by LICENSOR.

12.OPTION TO OWN PORTION OF MIP LICENSE

If during the Term of the Agreement, applicable state and local laws should change to permit, in whole or in part, the ownership or issuance of a marijuana-infused products license in Colorado (a "MIP License"), directly or indirectly, by or to a person or entity who is not a Colorado resident, at LICENSOR'S request, LICENSEE shall, to the extent permitted by and in accordance with applicable laws, promptly transfer up to a 56% ownership interest in its MIP Licenses (or such lesser percentage as may be permitted by law, from time to time), directly or indirectly, to LICENSOR or its designee or designees, if and only if LICENSOR or its applicable designee meets all applicable legal requirements to be an owner, directly or indirectly, in the MIP License. Such transfer or transfers may occur in one or more increments to the maximum extent permitted by applicable laws as interpreted by legal counsel for LICENSOR. In exchange for such transfer or transfers, the License Fee payable by LICENSEE shall be reduced proportionately. For example, if LICENSEE transferred 28% of its ownership in its MIP license to LICENSOR, the License Fee would be reduced to* per year. Notwithstanding the foregoing, this Section 12 shall only apply to the extent LICENSEE has not already transferred a total of 56% of its ownership in its MIP License to LICENSOR, pursuant to this or any other Agreement between LICENSEE and LICENSOR, and the reduction in the License Fee shall occur upon and to the extent of the transfer of the MIP Licensee in addition to, and not in lieu of, any other monetary concessions provided by LICENSOR to LICENSEE under any other agreement between the parties.

* Portions of this document omitted pursuant to an application for an order for confidential treatment pursuant to Rule 24b-2 under the Exchange Act. Confidential portions of this document have been filed separately with the Securities and Exchange Commission.

13.TERMINATION

A. Default and Termination. LICENSOR shall have the right to immediately terminate this Agreement by giving ten (10) days written notice of a material breach by LICENSEE, followed by LICENSEE's failure within the above-mentioned ten (10) day period to cure the breach. A material breach includes, but is not limited to:

a. LICENSEE's violation of the Colorado Retail Marijuana Code, Colorado Medical Marijuana Code or any other applicable state or local law; or

b. LICENSEE's filing of a petition in bankruptcy or is adjudicated a bankrupt or insolvent, or makes an assignment for the benefit of creditors, or an arrangement pursuant to any bankruptcy law, or if the LICENSEE discontinues its business or a receiver is appointed for the LICENSEE or for the LICENSEE'S business and such receiver is not discharged within thirty (30) days; or

c. LICENSEE's breach any of the provisions of this Agreement relating to the unauthorized assertion of rights in the Process; or

d. LICENSEE's failure to make timely payment of the License Fee when due two or more times during any twelve-month period; or

e. A material change in the ownership or control of LICENSEE or material change of location; or

f. LICENSEE's attempt to grant or grant a sublicense or assign any right or duty under this Licensing Agreement without the written consent of LICENSOR; or

g. LICENSEE'S default under the Lease after the expiration of any applicable notice and cure periods; or

h. LICENSEE commits any act or omission that, in the sole discretion of LICENSOR, damages or reflects unfavorably, or otherwise detracts from the good reputation of LICENSOR

i. A change in state or local laws or regulations, or the application thereof, that makes LICENSEE's business or the production of the Products unlawful at the facility, or a change in federal enforcement priorities that make LICENSEE's business reasonably impracticable.

B. Effect of Termination.

a. Upon the expiration or termination of this Agreement, all of the rights of LICENSEE under this Agreement shall forthwith terminate and immediately revert to LICENSOR and LICENSEE shall immediately discontinue all use of the Process and the like, at no cost whatsoever to LICENSOR.

b. After expiration or termination of this Agreement for any reason, LICENSEE shall immediately discontinue the use of the Process and manufacture, distribution, and sale of the Products and any packaging and advertising materials, official labels or trademarks unless expressly authorized in writing by LICENSOR.

14.RELATIONSHIP OF THE PARTIES

The parties to this Agreement are independent contractors. There is no relationship of agency, partnership, joint venture, employment, or franchise between the parties. Neither party has the authority to bind the other or to incur any obligation on its behalf.

15.MISCELLANEOUS

A. Governing Law. This Agreement shall be governed in accordance with the laws of the State of Colorado.

B. Notice. Any notice required to be given pursuant to this Agreement shall be in writing and delivered via e-mail, personally to the other designated party at the above stated address, or mailed by certified or registered mail, return receipt requested or delivered by a recognized national overnight courier service. Either party may change the address to which notice or payment is to be sent by written notice to the other in accordance with the provisions of this paragraph.

C. Assignability. The provisions of the Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, administrators, successors and assigns, provided, however, that the license granted hereunder is personal to LICENSEE and shall not be assigned by any act of LICENSEE or by operation of law without the written consent of LICENSOR.

D. Prior Agreements. This agreement contains the entire understanding between the parties relating to the subject matter of this agreement; and all prior proposals, discussions and writings between the parties and relating to the subject matter of this agreement are superseded by this agreement.

E. Waiver. No waiver by either party of any default shall be deemed as a waiver of prior or subsequent default of the same or other provisions of this Agreement.

F. Severability. If any term, clause or provision hereof is held invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or operation of any other term, clause or provision and such invalid term, clause or provision shall be deemed to be severed from the Agreement and replaced by a similar provision that best reflects the intentions of the Parties and that is valid and enforceable.

G. No Joint Venture. Nothing contained herein shall constitute this arrangement to be employment, a joint venture or a partnership. It is understood that the relationship established by this agreement is a license and nothing more.

H. Arbitration. Except as provided for herein, any dispute or disagreement which may arise between LICENSOR and LICENSEE in connection with either any interpretation of this Agreement or the performance or nonperformance thereof shall be settled by an arbitrator that is mutually agreed upon by the Parties. All arbitration shall be subject to the Uniform Arbitration Act as set forth in C.R.S. 13-22-201 et seq. Unless otherwise agreed to by both parties, any arbitration shall be conducted in the city of Denver, CO in the United States of America. The judgment upon any award rendered by the arbitration tribunal may be entered in any court having jurisdiction thereof, for the purpose of judicial enforcement.

I. Counterparts. This Agreement may be executed in two counterparts, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument. If this Agreement is executed in counterparts, no signatory hereto shall be bound until both the parties named below have duly executed or caused to be duly executed a counterpart of this Agreement.

J. Agreement Subject to Government Approval. The Parties acknowledge and agree that all provisions of this Agreement are subject to regulatory oversight and approval. In the event that any provision is determined to be non-compliant by any applicable regulatory authority, this Agreement shall be amended by the Parties within the timeframe given by the applicable regulatory authority or thirty (30) days, whichever occurs earlier. If the Parties are unable to negotiate appropriate amendments within the required timeframe, this Agreement shall terminate and be subject to the provisions of section 13 above.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have each caused to be affixed hereto its or his/her hand and seal the day indicated.

LICENSOR CLS LABS COLORADO, INC.	LICENSEE PICTURE ROCK HOLDINGS, LLC
By: /s/ Jeffrey I. Binder	By: /s/ Alan Bonsett
Title: Chairman, President and Chief Executive Officer	Title: Member and CEO
Date: 4/17/15	Date: 4/17/15

SCHEDULE A

BRAND NAMES

CLS Labs

Cannabis Life Sciences

Exhibit 10.8

EQUIPMENT LEASE AGREEMENT

This Equipment Lease agreement made this 17th day of April, 2015, by and between CLS Labs Colorado, Inc. a Florida corporation ("Lessor"), and Picture Rock Holdings, LLC, a Colorado limited liability company ("Lessee").

1. **Lease; Delivery and Acceptance.**

   (a) Upon execution hereof, Lessor shall take all action necessary to commence building a fully equipped lab at the property located at 1955 Quince Street, Denver, Colorado ("Leased Real Property") including purchasing all equipment necessary to extract, convert and provide quality control of all cannabis products of Lessee. A complete list of the equipment to be installed at said location shall be agreed by and between the parties hereto and once so agreed, incorporated into this agreement as Schedule "A". The contents of Schedule "A is hereinafter referred to as the "Equipment."

   (b) Lessee agrees to Lease the Equipment on the terms and conditions, and for the lease term, as set forth in this Lease Agreement ("Lease"). Lessor will arrange for the delivery of the Equipment. When Lessee receives the Equipment, Lessee agrees to inspect it to determine if it is in good working order. This Lease will begin on the date when the Equipment is delivered and installed. The Equipment will be deemed irrevocably accepted by Lessee upon the earlier of: a) the delivery to Lessor of a signed Delivery and Acceptance Certificate (if requested by Lessor); or b) **10 days** after delivery and installation of the Equipment to Lessee if previously Lessee has not given written notice to Lessor of non-acceptance.

2. **Rent.** Lessor shall lease the Equipment to Lessee in consideration for and at the rate of *per annum, payable in equal monthly lease payments of * per month ("Rent"). Lease Payments shall be due on the 1st day of each month. If any Lease Payment or other amount payable to Lessor is not paid within five (5) days of its due date, Lessee will pay Lessor a late charge not to exceed 5% of each late payment (or such lesser rate as is the maximum rate allowable under applicable law).

3. **Term and Extension.** This lease shall terminate upon the earlier of the date that is ten (10) years from the date established in Section 1(b) above, or the date upon which Lessor's lease of the Leased Real Property is terminated. Lessee shall have the option to renew this lease for a term of five (5) years (or such lesser period as remains under the lease for the Leased Real Property) upon written notice provided to Lessor not less than ninety (90) days before the end of the term as long as the lease for the Leased Real Property has been renewed for the same or a longer term. During the renewal term, if any Rent shall be reduced to * per month.

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* Portions of this document omitted pursuant to an application for an order for confidential treatment pursuant to Rule 24b-2 under the Exchange Act. Confidential portions of this document have been filed separately with the Securities and Exchange Commission.

4. **Equipment Location; Use and Repair; Return.** Lessee shall keep and use the Equipment only at its licensed marijuana cultivation facility and/or marijuana-infused products manufacturing facility. Lessee shall not move the Equipment to a new location without first obtaining Lessor's written consent. Lessee shall keep the Equipment in compliance with all applicable state and local laws and regulations, including but not limited to the Colorado Retail Marijuana Code and Colorado Medical Marijuana Code, and will keep the equipment in good condition, except for ordinary wear and tear. Lessee acknowledges that Lessee has been instructed in and fully understands the safe operation of the leased equipment and agrees to observe all safety precautions. Lessee agrees to pay Lessor, on return of the leased Equipment, for all charges incidental to breakages, shortages, or damage, ordinary wear and tear excepted, to the Equipment during the term of this Lease. Lessee shall pay all taxes, penalties, fines and costs attributable to the operation and use of the Equipment. Lessee shall not make any alterations, additions, attachments or replacements to the Equipment without the written consent of Lessor, which shall not be unreasonably withheld. If the equipment needs repair, Lessee must notify Lessor of the issue, and Lessee shall be responsible for paying for all necessary repairs. All alterations, additions, attachments and replacements will become part of the Equipment and Lessor's property at no cost or expense to Lessor. Lessor may inspect the Equipment at any reasonable time. In the event of termination of this Agreement, it shall contact Lessor to request a de-installation of the Equipment by an authorized service personnel of Lessor.

5. **Assignment and Subletting.** Lessee agrees to keep the Equipment in Lessee's custody and not to sublease or rent the Equipment without the written consent of Landlord, which shall not be unreasonably withheld.

6. **Title to Equipment**: Title to the leased equipment shall at all times remain in the Lessor and Lessee will at all times protect and defend, at its own cost and expense, the title of the Lessor from and against all claims, liens and legal processes of creditors of the Lessee and keep all leased equipment free and clear from all such claims, liens and processes. The Equipment is and shall remain personal property of the Lessor.

7. **Option to Own Portion of MIP License.** If during the term of this agreement, applicable state and local laws should change to permit, in whole or in part, the ownership or issuance of a marijuana-infused products license in Colorado (a "MIP License"), directly or indirectly, by or to a person or entity who is not a Colorado resident, at Lessor's request, Lessee shall, to the extent permitted by and in accordance with applicable laws, promptly transfer up to a 56% ownership interest in its MIP Licenses (or such lesser percentage as may be permitted by law, from time to time), directly or indirectly (which licenses shall be transferred to Lessee promptly after the date hereof)("Lessee's Licenses"), to Lessor or its designee or designees, if and only if Lessor or its applicable designee meets all applicable legal requirements to be an owner, directly or indirectly, in the Lessee's Licenses. Such transfer or transfers may occur in one or more increments to the maximum extent permitted by applicable laws as interpreted by legal counsel for Lessor. In exchange for such transfer or transfers, the Rent payable by Lessee shall be reduced proportionately. For example, if Lessee transferred 28% of its ownership in Lessee's Licenses to Lessor, the Rent would be reduced to * per month. Notwithstanding the foregoing, this Section 7 shall only apply to the extent Lessee has not already transferred a total of 56% of its ownership in the Lessee's Licenses to Lessor, pursuant to this or any other Agreement between Lessee and Lessor, and the reduction in Rent shall occur upon and to the extent of the transfer of the Lessee's Licenses in addition to, and not in lieu of, any other monetary concessions provided by Lessor to Lessee under any other agreement between the parties.

8. **Default.** There shall be deemed to be a breach of this lease: (a) if Lessee shall default in the payment of any rent hereunder and such default shall continue for a period of 10 days; (b) if Lessee shall default in the performance of any of the other covenants herein and such default shall continue uncured for 15 days after written notice thereof to Lessee by Lessor; (c) if Lessee materially violates the Colorado Medical Marijuana Code or Colorado Retail Marijuana Code; or (d) if Lessee ceases doing business as a going concern, or if a petition is filed by or against Lessee under the Bankruptcy Act or any amendment thereto. In the event of a breach of this Lease, as herein defined: (a) the Equipment shall upon Lessor's demand forthwith be delivered to Lessor at Lessee's expense at such place as Lessor shall designate and Lessor and/or its agents may, in accordance with the Colorado Medical Marijuana Code and Colorado Retail Marijuana Code, enter into any premises of or under control or jurisdiction of Lessee or any agent of Lessee where the Equipment may be or by Lessor is believed to be, and repossess all or any part of the Equipment.; and (b) all sums due and to become due hereunder shall, at Lessor's option, become payable forthwith, and the Lessor, in addition to being entitled to take possession of the leased equipment as hereinbefore described, also shall be entitled to recover immediately as and for damages for the breach of this lease and not as a penalty, an amount equal to the difference between the aggregate rent reserved hereunder for the unexpired term of the lease (hereinafter called "Remaining Rentals") and the then aggregate rental value of all leased equipment for the unexpired term of the lease (hereinafter called "Unexpired Rental Value of Leased Equipment"), provided, however, that if any statute governing the proceeding in which such damages are to be proved, specifies the amount of such claim, Lessor shall be entitled to prove as and for damages for the breach an amount equal to that allowed under such statute. The provisions of this paragraph shall be without prejudice to any rights given to the Lessor by such statute to prove for any amounts allowed thereby. Lessor, upon any breach of this lease may sell the leased equipment or may release such equipment for a term and a rental which may be equal to, greater than or less than the rental and term herein provided, and any proceeds of such sale received within 60 days after Lessor receives possession of the leased equipment or any rental payments received under a new lease made within such 60 days for the period prior to the expiration of this lease, less Lessor's expenses of taking possession, storage, reconditioning and sale or releasing, shall be deemed and considered for the purposes of this paragraph as being the Unexpired Rental Value of Leased Equipment. If the Unexpired Rental Value of Leased Equipment exceeds the Remaining Rentals, Lessor shall be entitled to the excess. The provisions of this paragraph shall be without prejudice to Lessor's right to recover or prove in full damages for unpaid rent that accrued prior to the breach of the lease. In the event of a breach of this Lease, Lessor, at its option, may enforce by appropriate legal proceedings specific performance of the applicable covenants of this lease as well as any other remedy herein provided. Should any legal proceedings be instituted by Lessor to recover any moneys due or to become due hereunder and/or for possession of any or all of the leased equipment, Lessee shall pay a reasonable sum as attorney's fees.

*Portions of this document omitted pursuant to an application for an order for confidential treatment pursuant to Rule 24b-2 under the Exchange Act. Confidential portions of this document have been filed separately with the Securities and Exchange Commission.

9. **Indemnification.** Lessee will indemnify and save lessor harmless from any and all liability, loss, damage, expense, causes of action, suits, claims or judgments arising from injury to person or property resulting from or based on the actual or alleged use, operation, delivery or transportation of any or all of the leased Equipment or its location or condition; and will, at its own cost and expense, defend any and all suits which may be brought against Lessor, either alone or in conjunction with others on any such liability or claim or claims and will satisfy, pay and discharge any and all judgments and fines that may be recovered against lessor in any such action or actions, provided, however, that Lessor will give lessee written notice of any such claim or demand.

10. **Loss or Damage**. If any leased equipment is totally destroyed, the liability of the Lessee to pay rent therefore may be discharged by paying to Lessor all the rent due thereon, plus all the rent to become due thereon less the net amount of the recovery, if any, actually received by Lessor from insurance or otherwise for such loss or damage. Lessor shall not be obligated to undertake, by litigation or otherwise, the collection of any claim against any person for loss or damage of the leased equipment. Except as expressly provided in this paragraph, the total or partial destruction of any leased equipment, or total or partial loss of use or possession thereof to Lessee, shall not release or relieve Lessee from the duty to pay the rent herein provided.

11. **Insurance**. Lessee shall provide and maintain at its expense (a) property insurance against the loss, theft or destruction of, or damage to, the Equipment for its full replacement value, naming Lessor as loss payee, and (b) public liability and third party property insurance, naming Lessor as an additional insured. Lessee shall provide Lessor with certificates or other evidence of such insurance when requested.

12. **Notices, Remedies and Waivers**: All notices relating hereto shall be delivered in person to an officer of the Lessor or Lessee or shall be mailed registered to Lessor or Lessee at its respective address above shown or at any later address last known to the sender. No remedy of Lessor hereunder shall be exclusive of any other remedy herein or by law provided, but each shall be cumulative and in addition to every other remedy. A waiver of a default shall not be a waiver of any other or a subsequent default.

13. **Agreement Contingent on Government Approval.** This Agreement is subject to the approval of the Marijuana Enforcement Division and applicable local government authorities. In the event that any provision is determined to be non-compliant by any applicable regulatory authority, this Agreement shall be amended by the Parties within the timeframe given by the applicable regulatory authority or thirty (30) days, whichever occurs earlier. If the Parties are unable to negotiate appropriate amendments within the required timeframe, this Agreement shall terminate and be subject to the provisions of section 4 above.

(balance of page intentionally left blank –signature page follows)

IN WITNESS WHEREOF, the parties have executed this agreement on the day and year first set forth above.

LESSOR:
CLS LABS COLORADO, INC.

By: /s/ Jeffrey I. Binder

Name: Jeffrey I. Binder

Its: Chairman, President and Chief Executive Officer

LESSEE:
PICTURE ROCK HOLDINGS, LLC

By: /s/ Greg Friedman

Name: Greg Friedman

Its: Member and CFO

SCHEDULE A
LIST OF EQUIPMENT

TO BE ADDED BY ADDENDUM

Exhibit 10.9

CLS HOLDINGS USA, INC.

RESTRICTED STOCK AGREEMENT

FOR

MICHAEL ABRAMS

1 . Award of Restricted Stock. CLS Holdings USA, Inc. (the "Company") hereby grants, as of April 28, 2015 (the "Grant Date"), to Michael Abrams (the "Recipient"), 250,000 restricted shares of the Company's Common Stock, par value $0.0001 per share (collectively the "Restricted Stock"). The Restricted Stock is being issued in lieu of the Company's obligation under that certain employment agreement, dated October 1, 2014, by and between CLS Labs, Inc. and Mr. Abrams, as amended on April 28, 2015 (the "Employment Agreement"). The Restricted Stock shall be subject to the terms, provisions and restrictions set forth in this Agreement and in the Employment Agreement. As a condition to entering into this Agreement, and as a condition to the issuance of any Restricted Stock (or any other securities of the Company), the Recipient agrees to be bound by all of the terms and conditions herein and in the Employment Agreement. Unless otherwise provided herein, terms used herein that are defined in the Employment Agreement and not defined herein shall have the meanings attributable thereto in the Employment Agreement.

2. Vesting of Restricted Stock.

(a) Except as otherwise provided in Sections 2(b) and 4 hereof, provided that the continuous service of the Recipient continues through and on the applicable Vesting Date, the shares of Restricted Stock shall become vested in the following amounts, at the following times and upon the following conditions:

Number of Shares of Restricted Stock	Vesting Date
250,000	October 1, 2015

There shall be no proportionate or partial vesting of shares of Restricted Stock in or during the months, days or periods prior to each Vesting Date, and all vesting of shares of Restricted Stock shall occur only on the applicable Vesting Date.

(b) Notwithstanding any other term or provision of this Agreement, the Board of Directors of the Company shall be authorized, in its sole discretion, to accelerate the vesting of any shares of Restricted Stock under this Agreement, at such times and upon such terms and conditions as the Administrator shall deem advisable.

(c) For purposes of this Agreement, the following terms shall have the meanings indicated:

(i)"**Non-Vested Shares**" means any portion of the Restricted Stock subject to this Agreement that has not become vested pursuant to this Section 2.

(ii)"**Vested Shares**" means any portion of the Restricted Stock subject to this Agreement that is and has become vested pursuant to this Section 2.

3. Delivery of Restricted Stock.

(a) One or more stock certificates evidencing the Restricted Stock shall be issued in the name of the Recipient but shall be held and retained by or on behalf of the Board of Directors of the Company until the date (the "Applicable Date") on which the shares (or a portion thereof) subject to this Restricted Stock award become Vested Shares pursuant to Section 2 hereof, subject to the provisions of Section 4 hereof. All such stock certificates shall bear the following legend, along with such other legends that the Board of Directors of the Company shall deem necessary and appropriate or which are otherwise required or indicated pursuant to any applicable law:

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO SUBSTANTIAL VESTING AND OTHER RESTRICTIONS AS SET FORTH IN THE RESTRICTED STOCK AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH RESTRICTIONS ARE BINDING ON TRANSFEREES OF THESE SHARES, AND INCLUDE VESTING CONDITIONS WHICH MAY RESULT IN THE COMPLETE FORFEITURE OF THE SHARES.

(b) The Recipient shall deposit with the Company stock powers or other instruments of transfer or assignment, duly endorsed in blank with signature(s) guaranteed, corresponding to each certificate representing shares of Restricted Stock until such shares become Vested Shares. If the Recipient shall fail to provide the Company with any such stock power or other instrument of transfer or assignment, the Recipient hereby irrevocably appoints the Secretary of the Company as his attorney-in-fact, with full power of appointment and substitution, to execute and deliver any such power or other instrument which may be necessary to effectuate the transfer of the Restricted Stock (or assignment of distributions thereon) on the books and records of the Company.

(c) On or after each Applicable Date, upon written request to the Company by the Recipient, the Company shall promptly cause a new certificate or certificates to be issued for and with respect to all shares that become Vested Shares on that Applicable Date, which certificate(s) shall be delivered to the Recipient as soon as administratively practicable after the date of receipt by the Company of the Recipient's written request. The new certificate or certificates shall continue to bear those legends and endorsements that the Company shall deem necessary or appropriate (including those relating to restrictions on transferability and/or obligations and restrictions under applicable securities laws).

4 . Forfeiture of Non-Vested Shares. If the Recipient's continuous service with the Company and its subsidiaries is terminated for any reason, any shares of Restricted Stock that are not Vested Shares, and that do not become Vested Shares pursuant to Section 2 hereof as a result of such termination, shall be forfeited immediately upon such termination of continuous service and revert back to the Company without any payment to the Recipient. The Board of Directors of the Company shall have the power and authority to enforce on behalf of the Company any rights of the Company under this Agreement in the event of the Recipient's forfeiture of Non-Vested Shares pursuant to this Section 4.

5. Rights with Respect to Restricted Stock.

(a) Except as otherwise provided by applicable laws, the Recipient shall not have, with respect to any of the Non-Vested Shares, the following rights of a holder of shares of Common Stock of the Company: (i) the right to vote such Non-Vested Shares, or (ii) the right to receive dividends, if any, as may be declared on the Non-Vested Shares from time to time; provided, however, that all of such rights shall be accorded such shares if and when they become Vested Shares.

(b) If at any time while this Agreement is in effect (or shares granted hereunder shall be or remain unvested while Recipient's continuous service continues and has not yet terminated or ceased for any reason), there shall be any increase or decrease in the number of issued and outstanding shares of Common Stock of the Company through the declaration of a stock dividend or through any recapitalization resulting in a stock split-up, combination or exchange of such shares, then and in that event, the Administrator shall make any adjustments it deems fair and appropriate, in view of such change, in the number of shares of Restricted Stock then subject to this Agreement. If any such adjustment shall result in a fractional share, such fraction shall be disregarded.

(c) Notwithstanding any term or provision of this Agreement to the contrary, the existence of this Agreement, or of any outstanding Restricted Stock awarded hereunder, shall not affect in any manner the right, power or authority of the Company to make, authorize or consummate: (i) any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business; (ii) any merger, consolidation or similar transaction by or of the Company; (iii) any offer, issue or sale by the Company of any capital stock of the Company, including any equity or debt securities, or preferred or preference stock that would rank prior to or on parity with the Restricted Stock and/or that would include, have or possess other rights, benefits and/or preferences superior to those that the Restricted Stock includes, has or possesses, or any warrants, options or rights with respect to any of the foregoing; (iv) the dissolution or liquidation of the Company; (v) any sale, transfer or assignment of all or any part of the stock, assets or business of the Company; or (vi) any other corporate transaction, act or proceeding (whether of a similar character or otherwise).

6 . Transferability. Unless otherwise determined by the Board of Directors of the Company, the shares of Restricted Stock are not transferable unless and until they become Vested Shares in accordance with this Agreement, otherwise than by will or under the applicable laws of descent and distribution. The terms of this Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Recipient. Except as otherwise permitted pursuant to the first sentence of this Section, any attempt to effect a Transfer of any shares of Restricted Stock prior to the date on which the shares become Vested Shares shall be void ab initio. For purposes of this Agreement, "Transfer" shall mean any sale, transfer, encumbrance, gift, donation, assignment, pledge, hypothecation, or other disposition, whether similar or dissimilar to those previously enumerated, whether voluntary or involuntary, and including, but not limited to, any disposition by operation of law, by court order, by judicial process, or by foreclosure, levy or attachment.

7. Tax Matters; Section 83(b) Election.

(a) If the Recipient properly elects, within thirty (30) days of the Grant Date, to include in gross income for federal income tax purposes an amount equal to the fair market value (as of the Grant Date) of the Restricted Stock pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the "Code"), the Recipient shall make arrangements satisfactory to the Company to pay to the Company any federal, state or local income taxes required to be withheld with respect to the Restricted Stock. If the Recipient shall fail to make such tax payments as are required, the Company shall, to the extent permitted by law, have the right to deduct from any payment of any kind (including without limitation, the withholding of any Shares that otherwise would be issued to the Recipient under this Agreement) otherwise due to the Recipient any federal, state or local taxes of any kind required by law to be withheld with respect to the Restricted Stock.

(b) If the Recipient does not properly make the election described in paragraph (a) above, the Recipient shall, no later than the date or dates as of which the restrictions referred to in this Agreement hereof shall lapse, pay to the Company, or make arrangements satisfactory to the Board of Directors of the Company for payment of, any federal, state or local taxes of any kind required by law to be withheld with respect to the Restricted Stock (including without limitation the vesting thereof). If the Recipient fails to comply with the tax obligations set forth in the immediately preceding sentence (the "Tax Obligations"), then the Recipient hereby irrevocably authorizes and instructs a broker to be designated by the Company in its sole discretion to sell for the account of the Recipient a sufficient number of shares of the Restricted Stock (based upon prevailing market prices at the time of such sale) necessary to satisfy the Recipient's Tax Obligations, to remit to the Company the proceeds of such sale in such amount necessary to satisfy the Tax Obligations and to remit any balance resulting from such sale to the Recipient. The Company and any such broker shall be entitled to use and to rely upon the stock powers and other instruments of transfer provided pursuant to Section 3(b) above. In addition, the Company shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to Recipient any federal, state, or local taxes of any kind required by law to be withheld with respect to the Restricted Stock.

(c) Tax consequences on the Recipient (including without limitation federal, state, local and foreign income tax consequences) with respect to the Restricted Stock (including without limitation the grant, vesting and/or forfeiture thereof) are the sole responsibility of the Recipient. The Recipient shall consult with his or her own personal accountant(s) and/or tax advisor(s) regarding these matters, the making of a Section 83(b) election, and the Recipient's filing, withholding and payment (or tax liability) obligations.

8 . Amendment, Modification and Assignment. This Agreement may only be modified or amended in a writing signed by the parties hereto. No promises, assurances, commitments, agreements, undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, with respect to the subject matter hereof, have been made by either party which are not set forth expressly in this Agreement.

9. Complete Agreement. This Agreement (together with those agreements and documents expressly referred to herein, for the purposes referred to herein) embody the complete and entire agreement and understanding between the parties with respect to the subject matter hereof, and supersede any and all prior promises, assurances, commitments, agreements, undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, which may relate to the subject matter hereof in any way.

10. Miscellaneous.

(a) No Right to (Continued) Employment or Service. This Agreement and the grant of Restricted Stock hereunder shall not confer, or be construed to confer, upon the Recipient any right to employment or service, or continued employment or service, with the Company or any subsidiary.

(b) No Limit on Other Compensation Arrangements. Nothing contained in this Agreement shall preclude the Company or any subsidiary from adopting or continuing in effect other or additional compensation plans, agreements or arrangements, and any such plans, agreements and arrangements may be either generally applicable or applicable only in specific cases or to specific persons.

(c) Severability. If any term or provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or under any applicable law, rule or regulation, then such provision shall be construed or deemed amended to conform to applicable law (or if such provision cannot be so construed or deemed amended without materially altering the purpose or intent of this Agreement and the grant of Restricted Stock hereunder, such provision shall be stricken as to such jurisdiction and the remainder of this Agreement and the award hereunder shall remain in full force and effect).

(d) No Trust or Fund Created. Neither this Agreement nor the grant of Restricted Stock hereunder shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any subsidiary and the Recipient or any other person. To the extent that the Recipient or any other person acquires a right to receive payments from the Company or any subsidiary pursuant to this Agreement, such right shall be no greater than the right of any unsecured general creditor of the Company.

(e) Law Governing. This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Florida (without reference to the conflict of laws rules or principles thereof).

(f) Interpretation. The Recipient accepts the Restricted Stock subject to all of the terms, provisions and restrictions of this Agreement and the Employment Agreement. The undersigned Recipient hereby accepts as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under this Agreement.

(g) Headings. Section, paragraph and other headings and captions are provided solely as a convenience to facilitate reference. Such headings and captions shall not be deemed in any way material or relevant to the construction, meaning or interpretation of this Agreement or any term or provision hereof.

(h) Notices. Any notice under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or when deposited in the United States mail, registered, postage prepaid, and addressed, in the case of the Company, to the Company's Secretary at CLS Holdings USA, Inc., 11767 S. Dixie Highway, Suite 115, Miami, Florida 33156, or if the Company should move its principal office, to such principal office, and, in the case of the Recipient, to the Recipient's last permanent address as shown on the Company's records, subject to the right of either party to designate some other address at any time hereafter in a notice satisfying the requirements of this Section.

(i) Non-Waiver of Breach. The waiver by any party hereto of the other party's prompt and complete performance, or breach or violation, of any term or provision of this Agreement shall be effected solely in a writing signed by such party, and shall not operate nor be construed as a waiver of any subsequent breach or violation, and the waiver by any party hereto to exercise any right or remedy which he or it may possess shall not operate nor be construed as the waiver of such right or remedy by such party, or as a bar to the exercise of such right or remedy by such party, upon the occurrence of any subsequent breach or violation.

(j) Counterparts. This Agreement may be executed in two or more separate counterparts, each of which shall be an original, and all of which together shall constitute one and the same agreement.

(k) Internal Revenue Code Section 409A. The Restricted Stock granted hereunder is intended to be exempt from Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury regulations and other official guidance promulgated thereunder.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this Agreement as of the date first written above.

CLS HOLDINGS USA, INC.

By: /s/ Jeffrey I. Binder
Jeffrey I. Binder
Chairman, President and Chief Executive Officer
Date: 4/28/15

Agreed and Accepted:

RECIPIENT:

By: /s/ Michael Abrams
Michael Abrams

Date: 4/28/15

Exhibit 10.10

SUBSCRIPTION AGREEMENT

THE UNDERSIGNED ("Subscriber") hereby subscribes for and agrees to purchase from RJF Labs, Inc, a Nevada corporation (the Corporation"), 100 shares of the capital stock, no par value, of the Corporation (the "Shares"), for the following consideration:

All right, title and interest in and to Subscriber's proprietary process and related know-how for the extraction of cannabinoids from cannabis by assignment of rights in form and substance substantially similar to Exhibit A attached hereto (the "Assignment of Property Rights").

The consideration for the shares shall be tendered by delivery herewith of an executed Assignment of Property Rights, together with an executed Form W-9, a copy of which is attached hereto as Exhibit B. The Subscriber agrees that the Shares will be issued effective July 15, 2014.

The Subscriber hereby acknowledges the representations and warranties set forth in that certain Investment Letter executed in connection with the Subscriber's purchase of the Shares, a copy of which is attached hereto as Exhibit C and incorporated by reference herein.

EXECUTED this 16th day of July, 2014.

SUBSCRIBER:

RAYMOND KELLER

By: /s/ Raymond Keller
Raymond Keller

Address: 27220 J.C. Lane
Bonita Springs, FL 34135

ACCEPTANCE

AGREED TO AND ACCEPTED in accordance with the terms of this Subscription Agreement as of this 16th day of July, 2014.

CORPORATION:

RJF LABS, INC.,
A Nevada Corporation

By: /s/ Jeffrey I. Binder
Jeffrey I. Binder
Chairman, President and Chief Executive Officer

EXHIBIT A

ASSIGNMENT OF PROPERTY RIGHTS

ASSIGNMENT OF PROPERTY RIGHTS

THIS ASSIGNMENT OF PROPERTY RIGHTS (the "Assignment") is made as of the 16th day of July, 2014, by RAYMOND KELLER, an individual residing at 27220 J.C. Lane, Bonita Springs, FL 34135 ("Assignor"), to RJF LABS, INC, a Nevada corporation with its principal place of business at 11767 S. Dixie Highway, Suite 115, Miami, FL 33156 ("Assignee").

WHEREAS, Assignor is the owner of all rights, title and interests in and to the concepts, inventions and technologies more specifically described in Attachment A to this Assignment (the "Property");

WHEREAS, Assignor has agreed to purchase shares of the common stock of Assignee in consideration for Assignor's transfer and assignment to Assignee of all of Assignor's right, title and interest in and to the Property; and

WHEREAS, in connection with such transfer, Assignor has agreed to execute such instruments as the Assignee may reasonably request in order to effectuate the conveyance, transfer and assignment of the Property to Assignee and its successors and assigns.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Assignor does hereby transfer and assign to Assignee, and Assignee hereby accepts the transfer and assignment of, all of Assignor's worldwide right, title and interest in, to and under the Property, free and clear of any encumbrances, including, but not limited to, any and all patents, copyrights, trademarks, designs, processes, formulas, urls, websites, business models, confidential information, trade secrets, work product, know-how and any other proprietary information and intellectual property relating to or used in the Property, and any and all goodwill associated therewith, in each case whether now existing or developed in the future, throughout the world, all rights to sue for infringement of the Property, whether arising prior to or subsequent to the date of this Assignment, and the rights to any and all applications, registrations, renewals and extensions thereof that may now exist or hereafter be secured under the laws now or hereafter in effect in the United States and in any other jurisdiction, the same to be held, used and enjoyed by the said Assignee, its assigns, designees, nominees and other legal representatives, from and after the date hereof as fully and entirely as the same would have been held, used and enjoyed by the said Assignor had this Assignment not been made.

Assignor agrees to do the following, when requested, and without further consideration, in order to carry out the intent of this Assignment: (i) execute, deliver and file all oaths, assignments, specifications, powers of attorney, applications, and other papers necessary or desirable to perfect the assignment and fully secure to Assignee the rights, titles and interests herein conveyed; and (ii) generally assist in the vesting in Assignee the rights, titles, and interests herein conveyed including, without limitation, providing Assignee, upon Assignee's request, with all pertinent facts and documents relating to said Property, as may be known and accessible to Assignor and Assignor will testify as to the same in any interference or litigation related thereto and will promptly execute and deliver to Assignee or its legal representative any and all papers, instruments or affidavits required to apply for, obtain, maintain, issue and enforce said

Property. Assignor further agrees to provide any successor, transferee, assignee, or legal representative of Assignee with the benefits and assistance provided to Assignee hereunder.

Assignor represents that (i) Assignor is the sole owner of the Property, (ii) neither Assignor nor any other person or entity has previously licensed any portion of the Property to any third party; (iii) the Property is not encumbered by any lien, claim or other encumbrance, (iv) Assignor has the sole right to sell, assign and transfer the Property, (v) Assignor has made no prior assignment of any portion of the Property, and (vi) Assignor has no knowledge of any current or continuing infringement of any portion of the Property.

Assignor hereby authorizes the United States Patent and Trademark Office and any other U.S. and foreign office whose duty it is to issue, certify, or assign registrations or applications for patents, trademarks, service marks, copyrights or internet domains to issue, certify or assign as appropriate, the same to Assignee and Assignee's successors, assigns, designees, nominees, and other legal representatives in accordance with the terms of this Assignment.

Except to the extent that federal law preempts state law with respect to the matters covered hereby, this Assignment shall be governed by and construed in accordance with the laws of the State of Florida without giving effect to the principles of conflicts of laws thereof

IN WITNESS WHEREOF, Assignor has executed this Assignment as of the date first above written.

Assignor: Raymond Keller

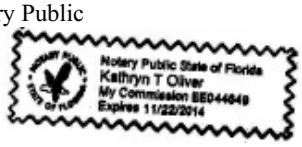
/s/ Raymond Keller

State of FLORIDA)
) ss.:
County of COLLIER)

On this 16th day of September, 2014, before me, the subscriber, a notary public authorized to take acknowledgments and proofs in the State and County aforesaid, personally appeared Raymond Keller, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

Witness my hand and official seal.

/s/ Kathryn T. Oliver
Notary Public



ATTACHMENT A

PROPERTY

The proprietary process for extracting, cleaning, and converting the cannabinoids from the cannabis plant and the associated delivery materials and systems for such cannabinoids.

EXHIBIT B

FORM W-9

Form **W-9**
(Rev. August 2013)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)
RAYMOND KELLER

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:
☒ Individual/sole proprietor ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶

☐ Other (see instructions) ▶

Exemptions (see instructions):
Exempt payee code (if any)
Exemption from FATCA reporting code (if any)

Address (number, street, and apt. or suite no.)
27220 J.C. LANE

Requester's name and address (optional)

City, state, and ZIP code
BONITA SPRINGS, FL 34135

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
[ ][ ][ ] - [ ][ ] - [ ][ ][ ][ ]

Employer identification number
[ ][ ] - [ ][ ][ ][ ][ ][ ][ ]

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here Signature of U.S. person ▶ [signature] Date ▶ 7/16/14

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. The IRS has created a page on IRS.gov for information about Form W-9, at *www.irs.gov/w9*. Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity,
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust, and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,

2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* on page 1.

What is FATCA reporting? The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

Disregarded entity. For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulation section 301.7701-2(c)(2)(iii). Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Note. Check the appropriate box for the U.S. federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the U.S. federal tax classification in the space provided. If you are an LLC that is treated as a partnership for U.S. federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation, as appropriate. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for U.S. federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

Other entities. Enter your business name as shown on required U.S. federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the *Exemptions* box, any code(s) that may apply to you. See *Exempt payee code* and *Exemption from FATCA reporting code* on page 3.

Exempt payee code. Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends. Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following codes identify payees that are exempt from backup withholding:

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)

2—The United States or any of its agencies or instrumentalities

3—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities

4—A foreign government or any of its political subdivisions, agencies, or instrumentalities

5—A corporation

6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States

7—A futures commission merchant registered with the Commodity Futures Trading Commission

8—A real estate investment trust

9—An entity registered at all times during the tax year under the Investment Company Act of 1940

10—A common trust fund operated by a bank under section 584(a)

11—A financial institution

12—A middleman known in the investment community as a nominee or custodian

13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over $600 required to be reported and direct sales over $5,000[1]	Generally, exempt payees 1 through 5[2]
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at *www.ssa.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: *A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.*

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt payee code* earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account [1]
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor [2]
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee [1]
b. So-called trust account that is not a legal or valid trust under state law	The actual owner [1]
5. Sole proprietorship or disregarded entity owned by an individual	The owner [3]
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	**Give name and EIN of:**
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity [4]
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov*. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: *spam@uce.gov* or contact them at *www.ftc.gov/idtheft* or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

EXHIBIT C

INVESTMENT LETTER

INVESTMENT LETTER

TO: RJF Labs, Inc.
Attn: Jeffrey I. Binder
President and Chief Executive Officer

In connection with the purchase of One Hundred (100) shares of the capital stock (the "Shares") of RJF Labs, Inc., a Nevada corporation (the "Corporation"), by Raymond Keller (the "Subscriber") pursuant to that certain Subscription Agreement effective July 16, 2014, by and between the Corporation and the Subscriber (the "Subscription Agreement"), the Subscriber acknowledges, represents, warrants, covenants and agrees as follows:

1. The Subscriber represents that:

(a) The Subscriber is acquiring the Shares for his own account, for investment and not with a view to, or for resale in connection with, the distribution thereof and that he has no present intention of distributing the Shares;

(b) The Subscriber possesses such knowledge and experience in financial and business matters pertaining to the type of business conducted by the Corporation and otherwise, that he is capable of evaluating the merits and risks of an investment in the Shares;

(c) The Subscriber is fully familiar with the Corporation and its business, operations, condition (financial and other), assets, liabilities and prospects and has had access to any and all material information he deems necessary or appropriate to enable the Subscriber to make an investment decision in connection with the purchase of the Shares; and

(d) The Subscriber's financial situation is such that he can afford to bear the economic risk of holding the Shares for an indefinite period of time and can afford to suffer a complete loss of his investment in the Shares.

2. The Subscriber understands and acknowledges that:

(a) The Shares have not been registered pursuant to the Securities Act of 1933, as amended (the "Act"), or any state securities laws, that the Subscriber may not transfer, resell or otherwise dispose of the Shares except pursuant to a registration statement in compliance with the Act and any applicable state securities laws, unless exemptions from the registration requirements of the Act and any applicable state securities laws are available that the Subscriber must, therefore, bear the economic risks of an investment in the Shares for an indefinite period of time;

(b) The Corporation is under no obligation to register the Shares pursuant to the Act or any state securities laws or to comply with or make available any exemption from the registration requirements thereof;

(c) Any certificates representing the Shares will contain a legend to the effect that the Shares cannot be transferred, resold or otherwise disposed of except in compliance with the Act and any applicable state securities laws;

(d) A "stop-transfer" order will be issued with respect to the Shares to effectuate the foregoing restrictions of the Shares and the Corporation shall have no obligation to effect any purported transfer of the Shares except upon demonstration of compliance with the foregoing restrictions; and

(e) The Subscriber has had the opportunity to ask questions of the Corporation and its representatives and receive answers from the Corporation and its representatives concerning the Corporation and the Subscriber's investment in the Shares and to obtain additional information possessed by the Corporation, or obtainable without unreasonable effort or expense, that is necessary to verify the accuracy of the information furnished to the Subscriber.

3. The Subscriber covenants and agrees that he will not sell, pledge, encumber, hypothecate, assign, transfer or otherwise dispose of the Shares or any interest therein, or make any offer to attempt to do any of the foregoing, except (a) pursuant to a registration statement in compliance with the Act and all applicable state securities laws, or in a transaction which, in the opinion of counsel for the Corporation, is exempt from the registration requirements thereof; and (b) in accordance with the terms and conditions set forth in the bylaws of the Corporation.

The Subscriber understands and acknowledges that the Corporation will rely upon the acknowledgments, representations, warranties, covenants and agreements contained herein (and any supplemental information provided to the Corporation) for the purpose of determining whether this transaction meets the requirements for an exemption from the registration requirements of the Act and applicable state securities laws. The Subscriber hereby agrees to indemnify and hold harmless the Corporation and its officers, directors, and employees for, from and against any cost, expense, claim, liability or damage arising out of or resulting :from any breach of such covenant and agreement including, without limitation, any liability of the Corporation to any third person purchasing any Shares. Further, the Subscriber covenants and agrees that, if there should be any material change with respect to any of the representations and warranties contained herein, after the execution of this Investment Letter and prior to the issuance of the Shares to him, the Subscriber will immediately furnish the revised or corrected information to the Corporation.

EXECUTED this 16thday of July 2014.

RAYMOND KELLER

By: /s/ Raymond Keller
Raymond Keller

Exhibit 10.11

PROMISSORY NOTE

$500,000.00 April 17, 2015

For value received, the undersigned, PICTURE ROCK HOLDINGS, LLC, a Colorado limited liability company (the "Maker"), hereby promises to pay to the order of CLS LABS COLORADO, INC., a Florida corporation (the "Holder"), at 11767 S. Dixie Highway, Suite 115, Miami, Florida 33156 (or such other place(s) as Holder may designate from time to time), the principal sum of Five Hundred Thousand and 00/100 Dollars ($500,000.00) with interest on the unpaid principal balance at the rate and on the terms provided in this promissory note (this "Note").

Commencing on the date hereof, interest shall begin to accrue on the unpaid principal balance of this Note at the rate of twelve percent (12%) per annum, to be paid quarterly in arrears commencing on July 1, 2015 and continuing on the first day of each October, January, April and July thereafter until paid in full. The principal due under this Note shall be paid by the Maker in twenty (20) equal quarterly installments of $25,000.00 ("Principal Installments") commencing on July 1, 2015 and continuing on the first day of each October, January, April and July thereafter until paid in full. All outstanding principal and any accumulated unpaid interest thereon shall be due and payable on April 1, 2020 (the "Maturity Date"). Both principal and interest are payable in lawful money of the United States of America.

All amounts under this Note shall become at once due and payable if one or more of the following events shall happen and be continuing (an "Event of Default"): (a) failure to make any payment of principal or interest on this Note in accordance with the terms hereof; (b) an event of default by the Maker under that certain loan agreement of even date herewith between the Maker and the Holder (the "Loan Agreement"); (c) assignment made by the Maker for the benefit of credits or upon the appointment of a receiver, liquidator or trustee of the Maker or the admission in writing by the Maker of its inability to pay its debts generally as they become due or the adjudication of the Maker to be a bankrupt or insolvent, or the filing of any petition for the bankruptcy, reorganization or arrangement of the Maker; (d) issuance of any tax lien warrant, process or order of attachment, garnishment or other lien and/or the filing of a lien against any property of the Maker which is not discharged within fourteen (14) days from the date of filing; or (e) the default in the payment or performance of any other loans from the Holder to the Maker, whether in existence or hereinafter created. After the occurrence of an Event of Default and for so long as it shall be continuing, this Note shall bear interest at the highest rate permitted under then applicable law.

In the case that any Event of Default shall happen and be continuing, the Holder may proceed to enforce the payment of this Note or to enforce any other legal or equitable rights as such Holder may have under applicable law.

In the event Holder retains or consults an attorney to enforce the terms hereof, Holder shall be entitled to collect from the Maker all costs and expenses incurred in enforcing or preserving its rights hereunder, including, but not limited to, reasonable attorney's fees (including those incurred in connection with judicial, bankruptcy, appellate, administrative and other proceedings). No delay or omission by Holder in exercising any right or remedy hereunder shall operate as a waiver of any such right or remedy hereunder. All remedies of Holder hereunder are cumulative, and no exercise by Holder of any one or more of his rights or remedies hereunder or under applicable law shall be deemed to be an election of remedies by Holder.

The Maker may prepay this Note, in whole or in part, without penalty; provided that any such prepayment will be applied first to the payment of unpaid expenses accrued under this Note, second to unpaid interest accrued on this Note, and third, if the amount of prepayment exceeds the amount of all such expenses and accrued interest, to the unpaid principal amount of this Note.

All notices, requests, demands, consents, instructions or other communications required or permitted hereunder shall be in writing and faxed, mailed or delivered as follows:

If to the Maker: PICTURE ROCK HOLDINGS, LLC
1435 Yarmouth St., #106
Boulder, Colorado 80304
Attention: _____

If to the Holder: CLS LABS COLORADO, INC.
11767 S. Dixie Highway, Suite 115
Miami, Florida 33156
Attention: Jeffrey I. Binder

All such notices and communications will be deemed effectively given the earlier of (i) when received, (ii) when delivered personally, (iii) one (1) business day after being delivered by facsimile (with receipt of appropriate confirmation), (iv) one (1) business day after being deposited with an overnight courier service of recognized standing, or (v) four (4) days after being deposited in the U.S. mail, certified, return receipt requested and with postage prepaid.

In the event any interest is paid on this Note which is deemed to be in excess of the then legal maximum rate, then that portion of the interest payment representing an amount in excess of the then legal maximum rate shall be deemed a payment of principal and applied against the unpaid principal amount of this Note.

The Maker hereby waives presentment for payment, demand, notice of dishonor and protest of this Note, and further agrees that this Note shall be deemed to have been made under and shall be governed by and construed in accordance with the laws of the State of Florida in all respects, including matters of construction, validity and performance, and that none of its terms or provisions may be waived, altered, modified or amended except as Holder may expressly consent thereto in a writing duly executed by an authorized representative of Holder. The federal or state courts located in Miami-Dade County, Florida, shall have exclusive jurisdiction in connection with all matters which may arise under or in connection with this Note, and the Maker shall not assert that any action brought in such forum is inconvenient and should be moved to another jurisdiction. Venue shall be had exclusively in the state and federal courts located in Miami-Dade Beach County, Florida, to the exclusion of all other places of venue.

All of the terms of this Note shall inure to the benefit of the Holder and its successors and assigns and shall be binding upon the Maker and its successors and assigns.

IN WITNESS WHEREOF, the Maker has executed this Note as of the day and year first above written.

MAKER:

PICTURE ROCK HOLDINGS, LLC

By: /s/ Alan Bonsett
Name: Alan Bonsett
Title: Member and CEO

Exhibit 10.12

CONFIDENTIALITY, NON-COMPETE AND PROPERTY RIGHTS AGREEMENT

THIS CONFIDENTIALITY, NON-COMPETE AND PROPERTY RIGHTS AGREEMENT (this "Agreement") is made and entered into this 16th day of July, 2014, between RJF LABS, INC., a Nevada corporation (the "Company"), having its principal place of business at 11767 S. Dixie Hwy., Suite 115, Miami, FL 33156 and Raymond Keller (hereinafter also referred to as "Shareholder"), having an address at 27220 JC Lane, Bonita Springs, FL 34135.

1.0 RECITALS.

1.1 The Company is preparing to engage, directly and indirectly, in the process of extracting cannabinoids from cannabis for sale by the Company and on behalf of third parties for sale by such third parties (the "Business").

1.2 Shareholder is one of three founding shareholders of the Company. As a material inducement to the Company to accept initial capital contributions from each of the other founding shareholders and to raise additional capital and otherwise prepare to engage in the Business, and as a material inducement to each of the other founding shareholders to make initial capital contributions to the Company and to make additional investments of time, effort and other resources to develop and expand the opportunities and financial resources of the Company, Shareholder has agreed to enter into this Agreement with the Company.

2.0 NON-COMPETITION.

2.1 So long as Shareholder owns any shares of stock in the Company and for a period of five (5) years thereafter, Shareholder shall not, without the prior written consent of the Company, except as an officer, director, employee or agent of the Company and for the benefit or on behalf of the Company, directly or indirectly, as an officer, director, employee, agent, partner, shareholder, consultant, independent contractor or otherwise, for Shareholder's own benefit, or on behalf or for the benefit of any person, partnership, trust, corporation or other entity, other than the Company, for any reason whatsoever, (i) engage anywhere in the United States (the "Restricted Territory") in the Business or any other business offering products or services which are substantially similar to or competitive with those offered by the Company or any parent, subsidiary or affiliate of the Company or which are substantially similar to or competitive with any product or service that any of the aforementioned proposes to offer; (ii) invent, design, engineer, develop, manufacture, enhance or take any other action to conceive, make, produce or improve any good, product, process or service which is substantially similar to or competitive with those used or offered by the Company or any parent, subsidiary or affiliate of the Company or which are substantially similar to or competitive with any product or service that any of the aforementioned proposes to use or offer; (iii) interfere with or disrupt, or attempt to interfere with or disrupt, or take any action that could reasonably be expected to interfere with or disrupt, any past, present or prospective relationship, contractual or otherwise, between the Company or any parent, subsidiary or affiliate of the Company, and any customer, client, supplier, vendor, contractor, subcontractor, advertiser, sales representative, or employee of the Company or any parent, subsidiary or affiliate of the Company; (iv) directly or indirectly employ, solicit for employment or attempt to employ or solicit for employment, or assist any other person or entity in employing, soliciting for employment or attempting to employ or solicit for employment, either on a full-time or part-time or consulting basis, any current or former employee, consultant or executive of the Company so long as Shareholder is a shareholder of the Company and for a period of one (1) year thereafter; or (v) communicate from anywhere within or outside the Restricted Territory with or solicit any person or entity located in the Restricted Territory who is an existing or prospective customer of the Company, or any parent, subsidiary or affiliate of the Company for the purpose of providing any product or service to such customer which is substantially similar to or competitive with any product or service which the Company, or any parent, subsidiary or affiliate of the Company, then provides or proposes to provide to such customer.

2.2 Shareholder recognizes that the laws and public policies of Florida and their interpretation may be uncertain as to the validity and enforceability of certain of the provisions contained in Section 2.1 hereof. Shareholder intends that the provisions of Section 2.1 hereof and this Agreement shall be enforced to the fullest extent permissible, and that the unenforceability (or the modification to conform with such laws or public policies) of any provision hereof shall not render unenforceable or impair the remainder of Section 2.1 hereof or this Agreement. Accordingly, if any provision of Section 2.1 hereof is invalid or unenforceable, either in whole or in part, this Agreement shall be deemed to delete or modify, as necessary, the offending provision and to alter the balance of Section 2.1 hereof and the Agreement in order to render the same valid and enforceable to the fullest extent permissible as aforesaid. In the event that the provisions of Section 2.1 hereof are found to exceed the maximum area, period of time or scope which a court of competent jurisdiction can or will enforce, said area, period of time and scope shall, for purposes of this Agreement, consist of the maximum area or period of time or scope which a court of competent jurisdiction can and will enforce.

3.0 CONFIDENTIALITY.

3.1 Shareholder understands and agrees that the term Confidential Information as used in this Agreement shall mean: (i) all of the Company's technologies, inventions, discoveries, developments, modifications, improvements, procedures, processes, ideas, innovations, systems, know-how, literary property, and products, and all information concerning or relating thereto, including all of the foregoing contributed by Shareholder pursuant to this Agreement or otherwise, if any, together with any and all rights in or to the foregoing, including, but not limited to, copyrights, patents, trademarks, and trade secrets; (ii) all of the Company's research and development projects, processes, procedures and other activities, including, without limitation, all technologies, products, and projects in planning or under development including Company Work Product, hereinafter defined, produced by Shareholder, and all know-how and other information relating thereto; (iii) all of the Company's formal and informal market information, market analysis and market evaluation, including existing and prospective market segments, market share, and marketing plans, (iv) the identity of the Company's existing customers and all information concerning their current and future requirements, (v) all information supplied by or concerning the Company's customers, or any business in which any of the Company's customers are engaged or contemplate becoming engaged, (vi) the identity of prospective customers of the Company, and the Company's estimates and projections of prospective customer's current and future requirements, (vii) the Company's business plans, policies and practices, including, pricing strategies, policies and practices, (viii) the Company's production strategies, formulas, procedures, policies and practices, (ix) the identity of the Company's advertisers, vendors, suppliers, contractors, and subcontractors, (x) all confidential information belonging to the Company or any parent, subsidiary or affiliate of the Company, and (xi) all other information disclosed to Shareholder or known to Shareholder through or as a consequence of any position Shareholder may hold with the Company or a result of owning Company stock concerning the Company's business or any aspect thereof which is not generally known by the public.

3.2 Shareholder agrees that Shareholder shall not, without the Company's prior written consent use, release or disclose any Confidential Information, in whole or in part, in any manner whatsoever, except as required in the performance of the duties of any position Shareholder may hold or engagement Shareholder may have with the Company, and except in connection with any suit or proceeding concerning the interpretation or enforcement of this Agreement.

3.3 Shareholder agrees that Shareholder will not remove, reproduce, or otherwise endeavor to retain any record of any Confidential Information and shall return all Confidential Information to the Company in Shareholder's possession at the time any position Shareholder may hold or engagement Shareholder may have with the Company terminates and any time upon written demand by the Company. Shareholder acknowledges that this obligation to return Confidential Information does not constitute permission or consent to remove, reproduce, or otherwise endeavor to create or retain any record of any Confidential Information at any time except as expressly otherwise authorized by the Company.

4.0 PROPERTY RIGHTS.

4.1 Shareholder understands that the term Company Work Product as used in this Agreement shall mean all inventions, discoveries, developments, modifications, improvements, procedures, processes, ideas, innovations, systems, know-how, literary property, products and other work product. Shareholder agrees that all Company Work Product made or conceived by Shareholder, alone or jointly with others, and all improvements and enhancements thereto, so long as Shareholder owns any shares of stock in the Company, which relates in any manner to the Business or any business, technology, product or project of the Company or any parent, subsidiary or affiliate of the Company is then engaged or in which any of the aforementioned then contemplate becoming engaged, and any and all rights in or to such Company Work Product, including, but not limited to, copyrights, patents, trademarks, and trade secrets shall belong to the Company.

4.2 Shareholder hereby assigns all Company Work Product to the Company, and hereby acknowledges the receipt and sufficiency of good and valuable consideration for such assignment. Shareholder agrees that to the extent that any Company Work Product is copyrightable, the Company may affix such notices and take such other steps as the Company deems appropriate, at the Company's expense, to secure and perfect copyright protection in such Company Work Product. Shareholder further agrees to the extent any Company Work Product is patentable, the Company may take such steps as the Company deems appropriate, at the Company's expense, to file and prosecute any patent application in Shareholder's name or in the name of the Company in the United States or elsewhere, and Shareholder shall, upon request, further assign all such applications and/or patents resulting therefrom to the Company.

4.3 Shareholder specifically agrees that Company Work Product shall include all inventions, discoveries, developments, modifications, improvements, procedures, processes, ideas, innovations, systems, know-how, literary property, products and other work product conceived or made by Shareholder, alone or jointly with others: (i) during my working hours while employed or otherwise engaged by the Company; or (ii) during or after working hours, if made or conceived with the use of the premises, equipment, supplies or Confidential Information of the Company or any parent, subsidiary or affiliate of the Company, even if Shareholder disputes that such Company Work Product relates to the Business or any business, technology, product or project of the Company or any parent, subsidiary or affiliate of the Company.

4.4 Shareholder agrees that all of Shareholder's papers, memoranda, workbooks, notes, other documents, electronic data files and records relating to Company Work Product are the sole and exclusive property of the Company and Shareholder shall deliver the same to the Company upon expiration or any termination of any position Shareholder may hold or engagement Shareholder may have with the Company and any time upon written demand by the Company.

5.0 CERTAIN ACKNOWLEDGMENTS.

5.1 Shareholder acknowledges that by virtue of Shareholder's ownership of shares of stock in the Company, Shareholder will participate in the development of or receive, or otherwise have access to, the Company's strategic information and plans, including without limitation (i) the Company's formal and informal market information, market analysis, and market evaluation, including existing and prospective market segments, market share, and marketing plans, (ii) the identity of the Company's existing customers and their current and future requirements, (iii) the identity of prospective customers of the Company, and the Company's estimates and projections of their current and future requirements, (iv) the Company's business plans, policies and practices, including, pricing strategies, policies and practices, (v) product information, analysis and development, (vi) all of the Company's research and development projects, processes, procedures and other activities, including, without limitation, all technologies, products, and projects in planning or under development and all know-how and other information relating thereto. Shareholder acknowledges that this information will account, in large part, for the Company's goodwill and competitive ability, and that the Company has a valid and legitimate interest in protecting this information by constraining Shareholder's current other and subsequent employment and business activities as provided in Section 2.0 hereof and by restraining Shareholder's use of Confidential Information as provided in Section 3.0 hereof.

5.2 Shareholder acknowledges and agrees that the limitations concerning time, nature and geographic scope imposed by this Agreement upon Shareholder's current other and subsequent employment and business activities are reasonable and fair, and will not prevent Shareholder from earning, or materially impair Shareholder's ability to earn, a livelihood. Shareholder further acknowledges that any violation of any term or provision of this Agreement will have a substantial detrimental effect on the Company and its ability to meet its obligations. Shareholder has carefully considered the nature and extent of the restrictions placed upon Shareholder and the rights and remedies conferred upon the Company under the provisions of this Agreement and believes that the same are reasonable in time, scope and territory.

5.3 Shareholder acknowledges that any violation by Shareholder of any of the covenants or agreements contained in Sections 2.0 or 3.0 hereof would cause irreparable injury to the Company for which money damages may not be wholly adequate. Shareholder agrees that the Company shall be entitled to temporary and permanent injunctive relief to enforce the provisions of these Sections in addition to any other rights or remedies available at law or in equity.

5.4 Shareholder acknowledges that the Company's legal counsel prepared this Agreement, and that:

(a) a conflict exists between the Company's interests and Shareholder's interests in connection with this Agreement;

(b) The Company's counsel has only represented the interests of the Company in the preparation of this Agreement and Shareholder has been advised to seek the advice of independent counsel; and

(c) Shareholder has had an adequate opportunity to seek the advice of independent counsel.

5.5 Shareholder agrees that the obligations of this Agreement shall survive the expiration and any termination of any position Shareholder may hold or any engagement Shareholder may have with the Company, even if such termination is occasioned by the Company's breach of any existing or future consulting, employment or other contract or agreement between Shareholder and the Company or the Company's wrongful termination of any such engagement or employment with the Company.

5.6 Shareholder agrees that for purposes of this Agreement, affiliates of the Company shall mean any person or entity who directly or indirectly controls the Company and any entity directly or indirectly under common control with the Company.

6.0 DISCLOSURE OF AGREEMENT. Shareholder agrees that the Company may make known to others the existence of and/or the provisions of all or any part of this Agreement.

7.0 RIGHT TO ENGAGEMENT OR EMPLOYMENT. Shareholder acknowledges that this Agreement does not confer upon Shareholder any right to engagement or employment with the Company and that this Agreement shall not interfere in any way with the right of the Company to terminate Shareholder's employment or engagement with the Company, if any, at any time.

8.0 AUTHORITY. Shareholder acknowledges and agrees that Shareholder has no authority to act for or in the name or on behalf of the Company, or to otherwise bind the Company by virtue of this Agreement without the express prior written consent of the Company.

9.0 ASSIGNMENT AND THIRD PARTY BENEFICIARIES. Shareholder agrees that this Agreement, including, without limitation, the provisions of Sections 2.0 and 3.0 hereof, may be assigned, without advance notice to Shareholder and/or without Shareholder's consent, by the Company in whole or in part to any purchaser or other transferee of the business by merger, reorganization or otherwise, or by purchase and sale of all or substantially all of the assets of the Company or to any parent, subsidiary or affiliate of the Company. This Agreement, including, without limitation, the provisions of Sections 2.0 and 3.0 hereof, shall be binding upon and inure to the benefit of the Company and Shareholder, the parties' respective heirs, personal representatives, successors and permitted assigns. Each parent, subsidiary and affiliate of the Company is an intended third party beneficiary of Sections 2.0 and 3.0 hereof and shall have the right to enforce these provisions in its own name or in the name of the Company.

10.0 MISCELLANEOUS.

10.1 Governing Law. Shareholder agrees that this Agreement shall be construed and interpreted, and all the rights of Shareholder and the Company determined and enforced in accordance with Florida law without regard to choice of law provisions. Shareholder hereby submits to the jurisdiction of Florida courts and the federal courts located in Florida. Shareholder agrees that proper venue for any suit concerning this Agreement shall be Miami-Dade County, Florida if in state court and the Southern District of Florida if in federal court. Shareholder waives all defenses to any suit filed in Florida courts in Miami-Dade County, Florida or federal court in the Southern District of Florida, based upon improper venue or forum of nonconveniens. Shareholder waives trial by jury in any action brought to enforce or interpret this Agreement.

10.2 **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not effect the validity or enforceability of any other provision of this Agreement and the Agreement shall be construed and enforced in all respects as if the invalid or unenforceable provision is reformed in the same manner as provided for Section 2.1 in Section 2.2 hereof.

10.3 **Notice.** Any notice required or permitted by this Agreement may be hand delivered or sent by overnight courier or United States Mail, return receipt requested, to Shareholder or the Company at the address for such party set forth in the introductory provision of this Agreement.

10.4 **Amendments.** This Agreement may only be amended, modified or changed by written agreement executed by the Company and Shareholder.

10.5 **Capitalized Terms and Headings.** The parties agree that each capitalized term used in this Agreement shall have the meaning ascribed to it at the point where it is first defined, irrespective of where it is used, with the same effect as if the definition of such term is set forth in full and at length in each instance that the term is used. The parties agree that all captions and headings contained in this Agreement are provided for convenience only and shall not be considered in construing, interpreting or enforcing this Agreement.

10.6 **Non-Waiver.** The Company's failure to enforce strict performance of any covenant, term, condition, promise, agreement or undertaking set forth in this Agreement shall not be construed as a waiver or relinquishment of any other covenant, term, condition, promise, agreement or undertaking set forth herein, or a waiver or relinquishment of the same covenant, term, condition, promise, agreement or undertaking at any time in the future.

10.7 **Litigation.** In the event suit is filed to construe or enforce this Agreement, the prevailing party in such suit shall be entitled to an award of all costs and expenses incurred in connection therewith, including, but not limited to, reasonable attorneys' fees and costs through trial, appeal and post judgment proceedings.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Shareholder and the Company have executed this Agreement on the date first above written.

Signed, sealed and delivered
In the presence of:

RJF LABS, INC., a Nevada corporation

By: /s/ Jeffrey Binder
Print Name: Jeffrey Binder
Title: CEO

SHAREHOLDER

By: /s/ Raymond Keller
Print Name: Raymond Keller

Exhibit 21.1

CLS HOLDINGS USA, INC.

Subsidiaries

CLS Labs, Inc., a Florida corporation

CLS Labs Colorado, Inc., a Florida corporation

Cannabis Life Sciences Consulting, LLC, a Florida limited liability company

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation in this Registration Statement on Form 8-K, of our report dated April 29, 2015 of CLS Holdings USA, Inc., relating to the financial statements as of December 31, 2014 and September 30, 2014 and for the years then ended, and the reference to our firm under the caption “Experts” in the Registration Statement.

/s/M&K CPAS, PLLC

www.mkacpas.com
Houston, Texas

April 29, 2015